

# 2019 & 2020 Proposed Business Plan and Budget Wind Down

## Peak Reliability



**Draft:**  
**Board Approval Draft**

**Date:**  
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## Introduction

Peak's fundamental mission is to enhance and promote the reliability of the Bulk Electric System (BES). Today Peak meets its mission primarily through its mature and sophisticated reliability coordination services, system modeling capability, and innovative reliability services such as Hosted Advanced Applications (HAA).

This year, Peak developed its 2019 budget against a competitive backdrop in which other players are offering RC services and Funding Parties had not determined which entity they will choose after Dec. 31, 2019. In response to this uncertainty, Peak posted and sought stakeholder comment on draft budgets that addressed two scenarios:

- Scenario 1 – 2019 Status Quo and 2020 Transitional RC (TRC)
- Scenario 2 – 2019 Wind Down and 2020 Wind Down Completion

In addition, Peak simultaneously requested expanded comments on the larger policy questions that the funding scenarios present for the future of Peak and the reliability of the Western Interconnection. The deadline for both processes was July 31, 2018.

By mid-July, Peak had received enough feedback to confirm that funders did not favor the TRC and supported the Wind Down. The Peak management team decided to announce early that it intended to cease operations at the end of 2019, to reduce that uncertainty and because the time frame to transition the RC function from Peak to the presumptive RCs is limited.

As a consequence Peak presents in this document the budget associated with Scenario 2 – 2019 Wind Down and 2020 Wind Down Completion for Board approval. This document reflects:

- The 2019 funding amount for a Wind Down scenario where Peak will cease operations Dec. 31, 2019.
- The 2019 budget that includes additional expense related to staff retention and contractual obligations required to transition RC responsibilities.
- The 2020 budget that reflects costs associated with Peak's closure.

## 2019 & 2020 Business Plan and Budget – Wind Down

Peak's 2019 Wind Down includes RC funding at a higher level than the previous three budgets. This is mainly due to increased salary costs associated with retaining key staff through final operations in 2019. In addition, Peak expects \$2.0 million of Reliability Services revenue. The 2019 total budget for the RC Function is anticipated at \$57.9 million. Following is the total Peak Budget for the Wind Down option for 2019.

Statement of Activities and Capital Expenditures 2019 Budget	Peak Total	Reliability Coordinator Function			Reliability Services
		RC Function Total	RC Operations	Corporate Services	
<b>Funding</b>					
<b>Total Funding (A)</b>	<b>57,762,444</b>	<b>55,799,500</b>	<b>55,799,500</b>	<b>-</b>	<b>1,962,944</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>	47,794,509	46,892,479	40,061,475	6,831,004	902,030
<b>Meeting Expenses</b>	965,317	915,317	551,780	363,537	50,000
<b>Operating Expenses</b>	13,310,267	13,063,474	9,277,703	3,785,771	246,793
<b>Total Direct Expenses</b>	<b>62,070,093</b>	<b>60,871,270</b>	<b>49,890,958</b>	<b>10,980,312</b>	<b>1,198,823</b>
<b>Indirect Expenses</b>	0	(144,148)	10,836,164	(10,980,312)	144,148
<b>Total Expenses (B)</b>	<b>62,070,093</b>	<b>60,727,122</b>	<b>60,727,122</b>	<b>-</b>	<b>1,342,971</b>
<b>Change in Assets</b>	<b>(4,307,649)</b>	<b>(4,927,622)</b>	<b>(4,927,622)</b>	<b>-</b>	<b>619,972</b>
<b>Inc(Dec) in Fixed Assets (C)</b>	<b>(2,879,626)</b>	<b>(2,839,833)</b>	<b>(2,839,833)</b>	<b>-</b>	<b>(39,793)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>59,190,467</b>	<b>57,887,289</b>	<b>57,887,289</b>	<b>-</b>	<b>1,303,178</b>
<b>CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (1,428,023)</b>	<b>\$ (2,087,789)</b>	<b>\$ (2,087,789)</b>	<b>\$ -</b>	<b>\$ 659,766</b>
<b>FTEs</b>	<b>155.0</b>	<b>152.0</b>	<b>129.0</b>	<b>23.0</b>	<b>3.0</b>
<b>HC</b>	<b>155.0</b>	<b>152.0</b>	<b>129.0</b>	<b>23.0</b>	<b>3.0</b>

Peak is expected to incur some costs in 2020 associated with the Wind Down and ultimate closure of the organization, such as payroll and tax preparation. While we have assumed these activities will be completed by remaining employees, they may be performed by outside consultants.

Following is the total budget for the Wind Down of Peak in 2020.

Statement of Activities and Capital Expenditures 2020 Budget	Peak Total	Reliability Coordinator Function			Reliability Services
		RC Function Total	RC Operations	Corporate Services	
<b>Funding</b>					
<b>Total Funding (A)</b>	-	-	-	-	-
<b>Expenses</b>					
<b>Personnel Expenses</b>	2,208,516	2,208,516	490,049	1,718,467	-
<b>Meeting Expenses</b>	35,000	35,000	-	35,000	-
<b>Operating Expenses</b>	11,560,626	11,536,833	6,264,333	5,272,500	23,793
<b>Total Direct Expenses</b>	<b>13,804,142</b>	<b>13,780,349</b>	<b>6,754,382</b>	<b>7,025,967</b>	<b>23,793</b>
<b>Indirect Expenses</b>	-	-	7,025,967	(7,025,967)	-
<b>Total Expenses (B)</b>	<b>13,804,142</b>	<b>13,780,349</b>	<b>13,780,349</b>	<b>-</b>	<b>23,793</b>
<b>Change in Assets</b>	<b>(13,804,142)</b>	<b>(13,780,349)</b>	<b>(13,780,349)</b>	<b>-</b>	<b>(23,793)</b>
<b>Inc(Dec) in Fixed Assets (C)</b>	<b>(3,288,126)</b>	<b>(3,264,333)</b>	<b>(3,264,333)</b>	<b>-</b>	<b>(23,793)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>10,516,016</b>	<b>10,516,016</b>	<b>10,516,016</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (10,516,016)</b>	<b>\$ (10,516,016)</b>	<b>\$ (10,516,016)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FTEs</b>	<b>3.5</b>	<b>3.5</b>	<b>1.0</b>	<b>2.5</b>	<b>-</b>
<b>HC</b>	<b>11.0</b>	<b>11.0</b>	<b>4.0</b>	<b>7.0</b>	<b>-</b>

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Section A – Reliability Coordination  
2019 Business Plan and Budget – Wind Down  
2020 Corporate Wind Down Completion

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## 2019 RC Function Overview – RC Funding Increases to \$55.8 Million



### 2019 Overview of Cost Impacts – Increased Expenses

Peak's proposed 2019 RC Function budget is \$57.9 million, a \$12.0 million (26.2 percent) increase from its 2018 RC Function budget. The primary driver is an increase in labor costs, slightly offset by decreases in Operating Expenses and Travel and a decrease in capital expenditures as periodic replacement projects are halted. Offsets due to interest income and reserves result in a 2019 funding amount, upon which the Funding Party assessments will be made, of \$55.8 million.

Under management's proposal, working capital reserves decrease \$1.4 million in 2019 as the anticipated favorable 2018 and 2019 financial results are used to fund the Wind Down of the organization. This proposal provides an anticipated \$8.2 million in working capital reserves to use in 2020 to complete the Wind Down of Peak. For more information, please see the Working Capital Analysis on page 12.

Significant changes to the 2019 RC Function budget from the 2018 RC Function budget and other noteworthy items are as follows:

- Personnel Expenses increase by \$14.7 million due to an increase in costs associated with employee retention and severance during the Wind Down period, as well as increases in health care costs of 10 percent and an average 3.2 percent increase for changes to employees' market pay.
- Operating Expenses decrease by \$0.7 million primarily due to decreases in computer maintenance and licensing from favorable relicensing and a decrease in Board of Directors costs as the number of expected Board members remains below the previous seven.
- Fixed Assets decrease by \$1.6 million as replacement projects are halted in anticipation of Wind Down completion in 2020.

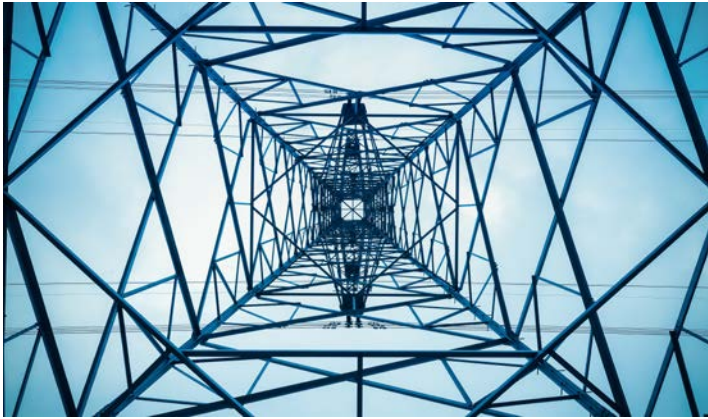
## 2018 Budget and 2019 and 2020 Wind Down Budgets

**Statement of Activities, Fixed Assets Expenditures and Change in Working Capital**  
**2018, 2019 & 2020 Wind Down Budgets**  
**RELIABILITY COORDINATOR FUNCTION**

	2018 Budget	2019 Wind-Down	Variance Over(Under)	2020 Wind-Down	Variance Over(Under)
<b>Funding</b>					
RC Function	\$ 44,594,316	\$ 55,700,000	\$ 11,105,684	\$ -	\$ (44,594,316)
Federal Grants	-	-	-	-	-
Interest	98,000	99,500	1,500	-	(98,000)
Miscellaneous	-	-	-	-	-
<b>Total Funding (A)</b>	<b>\$ 44,692,316</b>	<b>\$ 55,799,500</b>	<b>\$ 11,107,184</b>	<b>\$ -</b>	<b>\$ (98,000)</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 25,567,096	\$ 40,376,021	\$ 14,808,925	\$ 2,024,392	\$ (23,542,704)
Payroll Taxes	1,661,020	1,482,628	(178,392)	40,794	(1,620,226)
Benefits	2,728,837	3,107,315	378,478	95,249	(2,633,588)
Retirement Costs	2,239,005	1,926,513	(312,492)	48,080	(2,190,925)
<b>Total Personnel Expenses</b>	<b>\$ 32,195,958</b>	<b>\$ 46,892,477</b>	<b>\$ 14,696,519</b>	<b>\$ 2,208,515</b>	<b>\$ (29,987,443)</b>
<b>Meeting Expenses</b>					
Meetings	\$ 188,313	\$ 118,088	\$ (70,225)	\$ -	\$ (188,313)
Travel	884,779	754,635	(130,144)	35,000	(849,779)
Conference Calls	39,995	42,593	2,598	-	(39,995)
<b>Total Meeting Expenses</b>	<b>\$ 1,113,087</b>	<b>\$ 915,316</b>	<b>\$ (197,771)</b>	<b>\$ 35,000</b>	<b>\$ (1,078,087)</b>
<b>Operating Expenses</b>					
Consultants & Contracts	\$ 740,441	\$ 540,925	\$ (199,516)	\$ 3,500,000	\$ 2,759,559
Office Rent	1,632,579	1,682,752	50,173	330,000	(1,302,579)
Office Costs	6,780,829	6,458,753	(322,076)	3,712,500	(3,068,329)
Professional Services	1,371,300	1,116,711	(254,589)	730,000	(641,300)
Miscellaneous	-	-	-	-	-
Depreciation	3,250,000	3,264,333	14,333	3,264,333	14,333
<b>Total Operating Expenses</b>	<b>\$ 13,775,149</b>	<b>\$ 13,063,474</b>	<b>\$ (711,675)</b>	<b>\$ 11,536,833</b>	<b>\$ (2,238,316)</b>
<b>Total Direct Expenses</b>	<b>\$ 47,084,194</b>	<b>\$ 60,871,267</b>	<b>\$ 13,787,073</b>	<b>\$ 13,780,348</b>	<b>\$ (33,303,846)</b>
<b>Indirect Expenses</b>	<b>\$ -</b>	<b>\$ (144,148)</b>	<b>\$ (144,148)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 47,084,194</b>	<b>\$ 60,727,119</b>	<b>\$ 13,642,925</b>	<b>\$ 13,780,348</b>	<b>\$ (33,303,846)</b>
<b>Change in Assets</b>	<b>\$ (2,391,878)</b>	<b>\$ (4,927,619)</b>	<b>\$ (2,535,741)</b>	<b>\$ (13,780,348)</b>	<b>\$ 33,205,846</b>
<b>Fixed Assets</b>					
Depreciation	\$ (3,250,000)	\$ (3,264,333)	\$ (14,333)	\$ (3,264,333)	\$ (14,333)
Computer & Software CapEx	649,606	174,500	(475,106)	-	(649,606)
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	1,398,000	250,000	(1,148,000)	-	(1,398,000)
Leasehold Improvements	-	-	-	-	-
Construction Work in Progress	-	-	-	-	-
Allocation of Fixed Assets	-	-	-	-	-
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ (1,202,394)</b>	<b>\$ (2,839,833)</b>	<b>\$ (1,637,439)</b>	<b>\$ (3,264,333)</b>	<b>\$ (2,061,939)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>45,881,800</b>	<b>57,887,286</b>	<b>12,005,486</b>	<b>10,516,015</b>	<b>(35,365,785)</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (1,189,484)</b>	<b>\$ (2,087,786)</b>	<b>\$ (898,302)</b>	<b>\$ (10,516,015)</b>	<b>\$ 35,267,785</b>
<b>FTEs</b>	172.0	152.0	(20.0)	3.5	(168.5)
<b>HC</b>	172.0	152.0	(20.0)	11.0	(161.0)



## Reliability Coordination Operations



The Reliability Coordinator Function for Peak's RC Area is comprised of the Engineering, Operations, Information Technology and Compliance groups.

### Primary Drivers for 2019 Budget Increase

- Personnel Expenses increase by \$14.0 million primarily due to an increase in the costs to retain the employees required to perform the Reliability Coordination Function, in addition to increases in health care cost of 10 percent and an average 3.2 percent increase for changes to employees' market pay.
- Operating Costs decrease by \$0.6 million primarily due to lower computer maintenance and licensing costs on favorable renewals.
- Fixed Assets decrease by \$1.6 million as replacement cycles are not repeated.
- Peak anticipates that costs associated with contracts not signed prior to Aug. 28, 2018, such as the GridSME consultant services requested by the Funding Parties' RC Transition Coordination Group, will be accommodated in this budget using dollars from unplanned attrition. The current estimate for GridSME's services related to the transition of the RC function from Peak to the presumptive RCs is \$532,500.

## Reliability Coordination Operations

Funding sources and related expenses for the Reliability Coordination Operations section are shown in the table below.

### Statement of Activities, Fixed Assets Expenditures and Change in Working Capital 2018, 2019 & 2020 Wind Down Budgets RELIABILITY COORDINATION OPERATIONS

	2018 Budget	2019 Wind Down	Variance Over(Under)	2020 Wind Down	Variance Over(Under)
<b>Funding</b>					
RC Function	\$ 44,594,316	\$ 55,700,000	\$ 11,105,684	\$ -	\$ (44,594,316)
Federal Grants	-	-	-	-	-
Interest	98,000	99,500	1,500	-	(98,000)
Miscellaneous	-	-	-	-	-
<b>Funding (A)</b>	<b>\$ 44,692,316</b>	<b>\$ 55,799,500</b>	<b>\$ 11,107,184</b>	<b>\$ -</b>	<b>\$ (98,000)</b>
<b>Expenses</b>					
Personnel Expenses	\$ 26,082,745	\$ 40,061,475	\$ 13,978,730	\$ 490,049	\$ (25,592,696)
Meeting Expenses	613,860	551,780	(62,080)	-	(613,860)
Operating Expenses	9,897,187	9,277,703	(619,484)	6,264,333	(3,632,854)
<b>Total Direct Expenses</b>	<b>\$ 36,593,792</b>	<b>\$ 49,890,958</b>	<b>\$ 13,297,166</b>	<b>\$ 6,754,382</b>	<b>\$ (29,839,410)</b>
Indirect Expenses	\$ 10,490,403	\$ 8,128,034	\$ (2,362,369)	\$ 6,251,687	\$ (4,238,716)
<b>Total Expenses (B)</b>	<b>\$ 47,084,195</b>	<b>\$ 58,018,992</b>	<b>\$ 10,934,798</b>	<b>\$ 13,006,069</b>	<b>\$ (34,078,126)</b>
<b>Change in Assets</b>	<b>\$ (2,391,879)</b>	<b>\$ (2,219,492)</b>	<b>\$ 172,386</b>	<b>\$ (13,006,069)</b>	<b>\$ 33,980,126</b>
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ (1,202,394)</b>	<b>\$ (2,839,833)</b>	<b>\$ (1,637,439)</b>	<b>\$ (3,264,333)</b>	<b>\$ (2,061,939)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>45,881,801</b>	<b>55,179,159</b>	<b>9,297,359</b>	<b>9,741,736</b>	<b>(36,140,065)</b>
<b>CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (1,189,485)</b>	<b>\$ 620,341</b>	<b>\$ 1,809,825</b>	<b>\$ (9,741,736)</b>	<b>\$ 36,042,065</b>
FTEs	145.0	129.0	(16.0)	1.0	(144.0)
HC	145.0	129.0	(16.0)	4.0	(141.0)

## Corporate Services



Peak's Corporate Services function is comprised of the Board of Directors, General and Administrative, Legal, Corporate Information Technology, Human Resources, Corporate Communications, and Finance and Accounting. Corporate Services expenses are allocated to the Engineering, Operations and Information Technology and Compliance departments or to Reliability Services, as applicable.

### Primary Driver for 2019 Budget Increase

Peak's Corporate Services function costs in 2019 are expected to be \$2.2 million higher than the 2018 budget. This increase is being driven by the anticipated costs of retaining employees throughout 2019 to effectively support the Wind Down.

### Corporate Services

Funding sources and related expenses for the Corporate Services section of the 2019 Proposed Business Plan are shown in the table below.

#### Statement of Activities, Fixed Assets Expenditures and Change in Working Capital 2018, 2019 & 2020 Wind Down Budgets CORPORATE SERVICES

	2018 Budget	2019 Wind Down	Variance Over(Under)	2020 Wind Down	Variance Over(Under)
<b>Funding (A)</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenses</b>					
<b>Personnel Expenses</b>	\$ 6,113,213	\$ 5,114,522	\$ (998,691)	\$ 944,187	\$ (5,169,026)
<b>Meeting Expenses</b>	499,227	101,190	(398,037)	35,000	(464,227)
<b>Operating Expenses</b>	3,877,963	3,056,470	(821,493)	5,272,500	1,394,537
<b>Total Direct Expenses</b>	<u>\$ 10,490,403</u>	<u>\$ 8,272,182</u>	<u>\$ (2,218,221)</u>	<u>\$ 6,251,687</u>	<u>\$ (4,238,716)</u>
Indirect Expenses	\$ (10,490,403)	\$ (8,272,182)	\$ 2,218,221	\$ (6,251,687)	\$ 4,238,716
<b>Total Expenses (B)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Change in Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Incr(Dec) in Fixed Assets (C)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL BUDGET (B+C)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN WORKING CAPITAL (A-B-C)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FTEs</b>	27.0	23.0	(4.0)	2.5	(24.5)
<b>HC</b>	27.0	23.0	(4.0)	7.0	(20.0)

**Reserve Balance**

<b>Working Capital Reserve Analysis 2018-2020</b>	
<b>RELIABILITY COORDINATOR FUNCTION</b>	
<b>Beginning Working Capital Reserve, December 31, 2017</b>	<b>\$ 9,589,068</b>
Plus: 2018 Funding (from RC Function)	44,594,313
2018 Interest Income & Other	130,087
Less: 2018 Projected expenses & capital expenditures	<b>(44,048,864)</b>
<b>Projected Working Capital Reserve, December 31, 2018</b>	<b>10,264,604</b>
<b>2019 Peak Management Proposed Assessment</b>	55,700,000
2019 Interest Income & Other	99,500
2019 Expenses and Capital Expenditures	<b>(57,887,286)</b>
<b>Proposed Working Capital Reserve change from 2019 activity</b>	<b>(2,087,786)</b>
<b>Proposed Working Capital Reserve, December 31, 2019</b>	<b>\$ 8,176,818</b>
<b>2020 Wind Down Activities</b>	
2020 Expenses and Capital Expenditures	<b>(10,516,015)</b>
	<b>(10,516,015)</b>
<b>Reserve Balance</b>	<b>\$ (2,339,197)</b>

Peak's proposed funding request is increased from 2016, 2017 and 2018 as described earlier. Included in the funding request are amounts to cover the costs of Wind Down expected in 2020.

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Section B – Reliability Services  
2019 Business Plan and Budget – Wind Down  
2020 Corporate Wind Down Completion

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## 2019 Reliability Services Proposed Business Plan and Budget

### Reliability Services Activities

Reliability Services, which are comprised of activities such as Hosted Advanced Applications, are not included in the Reliability Coordinator Function and are designed to support their own costs. These services are provided to counterparties under bi-lateral contract agreements and leverage Peak’s unique position to provide services to promote Western Interconnection reliability performance excellence.

### Primary Drivers for 2019 Budget Decrease

- Fixed Assets decrease by \$0.2 million due to the IT hardware and software refresh of the Reliability Services environments completing in 2018 and not repeating in 2019.

### Reliability Services Activity

Funding sources and related expenses for the Reliability Services Activity section of the 2019 Business Plan are shown in the table below.

### Statement of Activities, Fixed Assets Expenditures and Change in Working Capital 2018, 2019 & 2020 Wind Down Budgets

#### RELIABILITY SERVICES

	2018 Budget	2019 Wind Down	Variance 2018 Projection v 2018 Budget Over(Under)	2020 Wind Down	Variance 2018 Budget v 2019 Budget Over(Under)
Funding (A)	\$ 1,980,000	\$ 1,962,944	\$ (17,056)	\$ -	\$ (1,980,000)
Expenses					
Personnel Expenses	\$ 705,634	\$ 902,030	\$ 196,396	\$ -	\$ (705,634)
Meeting Expenses	26,751	50,000	23,249	-	(26,751)
Operating Expenses	309,420	246,793	(62,627)	23,793	(285,627)
Total Direct Expenses	\$ 1,041,805	\$ 1,198,823	\$ 157,018	\$ 23,793	\$ (1,018,012)
Indirect Expenses	\$ 124,081	\$ 144,148	\$ 20,067	\$ -	\$ (124,081)
Total Expenses (B)	\$ 1,165,886	\$ 1,342,971	\$ 177,085	\$ 23,793	\$ (1,142,093)
Change in Assets	\$ 814,114	\$ 619,973	\$ (194,141)	\$ (23,793)	\$ (837,907)
Fixed Assets					
Incr(Dec) in Fixed Assets (C)	\$ 203,776	\$ (39,793)	\$ (243,569)	\$ (23,793)	\$ (227,569)
TOTAL BUDGET (B+C)	1,369,662	1,303,178	(66,484)	-	(1,369,662)
CHANGE IN WORKING CAPITAL (A-B-C)	\$ 610,338	\$ 659,766	\$ 49,428	\$ -	\$ (610,338)
FTEs	3.0	3.0	-	0.3	(2.7)
HC	3.0	3.0	-	1.0	(2.0)

**Reserve Balance**

<b>Working Capital Reserve Analysis 2018-2019</b>	
<b>RELIABILITY SERVICES</b>	
<b>Beginning Working Capital Reserve, December 31, 2017</b>	<b>\$ 3,436,651</b>
2018 Reliability Services Funding	2,100,904
2018 Expenses and Capital Expenditures	(1,650,303)
<b>Projected Working Capital Reserve, December 31, 2018</b>	<b>3,887,252</b>
<b>2019 Budgeted activity</b>	
2019 Reliability Services Funding	1,962,944
2019 Expenses and Capital Expenditures	(1,303,178)
<b>Proposed Working Capital Reserve Increase from 2019 activity</b>	<b>659,766</b>
<b>2020 Budgeted activity</b>	
2020 Expenses and Capital Expenditures	(23,793)
<b>Proposed Working Capital Reserve, December 31, 2019</b>	<b>\$ 4,523,225</b>