



# 2010 Budget – Initial Stakeholder Meeting

Presenters:

Steve Berberich, Vice President of Corporate Services and  
Interim Chief Financial Officer and Treasurer

Mike Epstein, Director of Financial Planning

Denise Walsh, Controller

June 17, 2009

# Agenda

<b>TOPIC</b>	<b>PRESENTER</b>
<b>Welcome and Introduction</b>	<b>Chris Kirsten</b>
<b>Opening Comments</b>	<b>Steve Berberich</b>
<b>Budget Principles</b>	<b>Steve Berberich</b>
<b>Relevant Strategic Initiatives</b>	<b>Steve Berberich</b>
<b>2010 Budget Process</b>	<b>Denise Walsh</b>
<b>2009 YTD Financial Summary</b>	<b>Mike Epstein</b>
<b>Updates and Status Reports</b>	<b>Mike Epstein</b>
<b>Stakeholder Feedback and Discussion</b>	<b>Group</b>
<b>Budget Calendar and Next Steps</b>	<b>Denise Walsh</b>

# Purpose of Meeting

- Provide transparency of the budget process
- Enhance stakeholder understanding of the budget
- Gather stakeholder input to the budget

# Budget Principles

- Maintain fiscal discipline
- Accommodate relevant Strategic Plan Initiatives
- Maintain Service Levels
- Target a GMC revenue cap at or close to the same level as 2009.

# Relevant Strategic Initiatives

- Excel in Grid and Market Operations
  - Construct new facility (2009-11)
  - Establish a sustainable operational compliance culture (2009-11)
- Effective & Timely Infrastructure Development
  - Launch new Market Design (MRTU) (2009)
  - Implement Market Design enhancements (2009-11)
  - Advance State, Regional & Federal Priorities
- Organizational Effectiveness
  - Maintain fiscal discipline
  - Implement superior customer service capabilities
  - Deploy world class recruiting strategies

# 2010 Budget Stakeholder Process

**You are here**



**Initial SH  
Budget  
Meeting for  
2010**  
Jun 17, 2009

**Internal  
Budget  
Process**  
June–Aug 09

**BOG Review**  
Sept 10 – 11,  
2009  
(Executive  
Session  
Review)

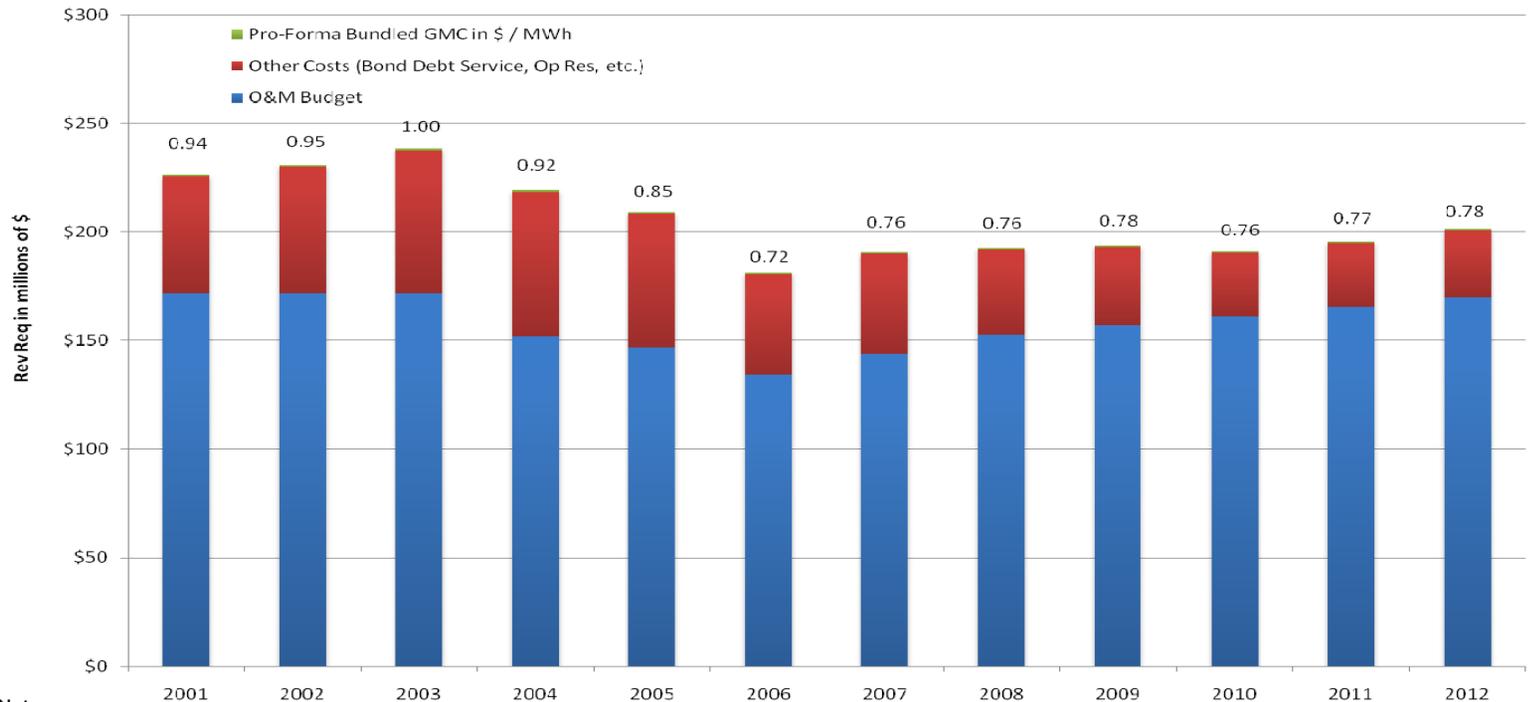
**SH Budget  
Call Sept 21  
& SH  
Meeting**  
Sept 23,  
2009

**Public  
Comments  
to BOG,**  
Oct 2009

**Public  
Comments  
& BOG  
Decision,**  
Dec 2009

**Opportunities for Stakeholder Input**

# GMC & Rate Outlook



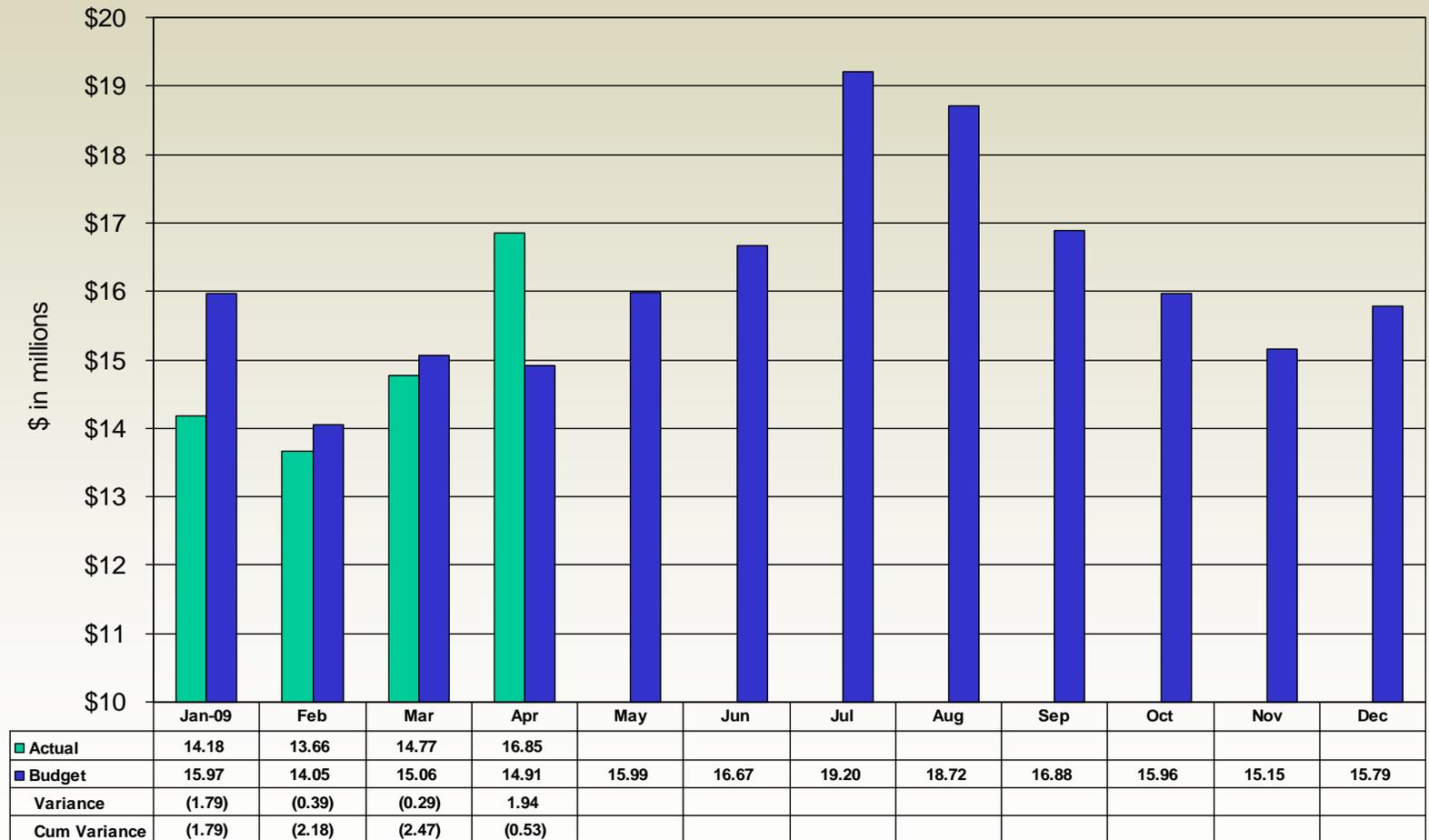
**Notes:**

1. Actual bundled rates in effect during 1998-2000 (based on a different measure of volume and discounts for certain customer classes) were \$0.7831, \$0.778, \$0.83. Rates in 2001 and subsequent years were unbundled. These pro-forma bundled rates are provided for comparison purposes.
2. Includes anticipated financial impact of new headquarters facility.
3. Projected revenue requirement and rates are affected by numerous factors including volumes, budget variances, interest rates, etc. Actual amounts may differ.

# Financial Review (2009 YTD)

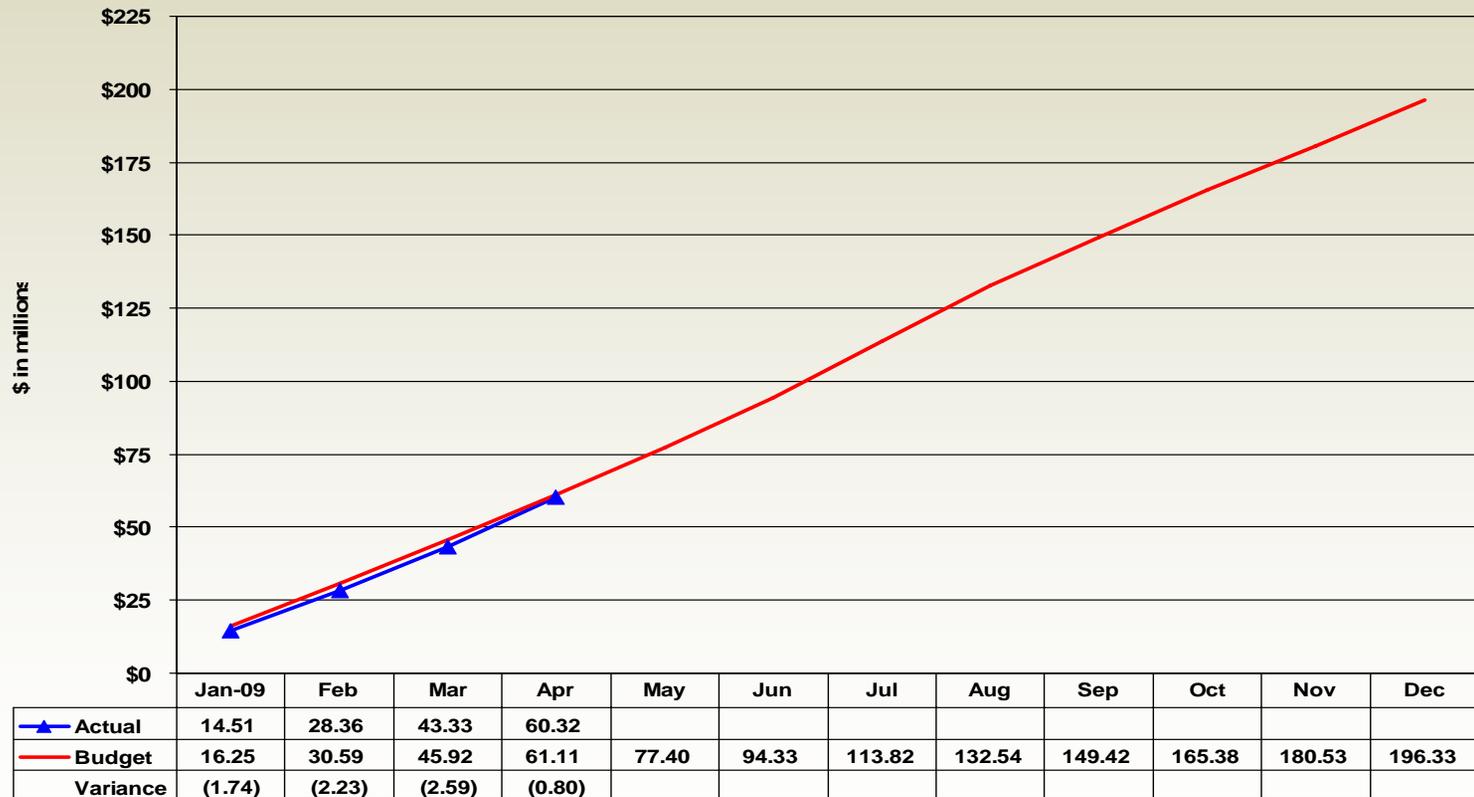
- GMC Revenues
- Operating Revenues
- O&M Expenses
- Capital Expenditures

# 2009 YTD GMC Revenues

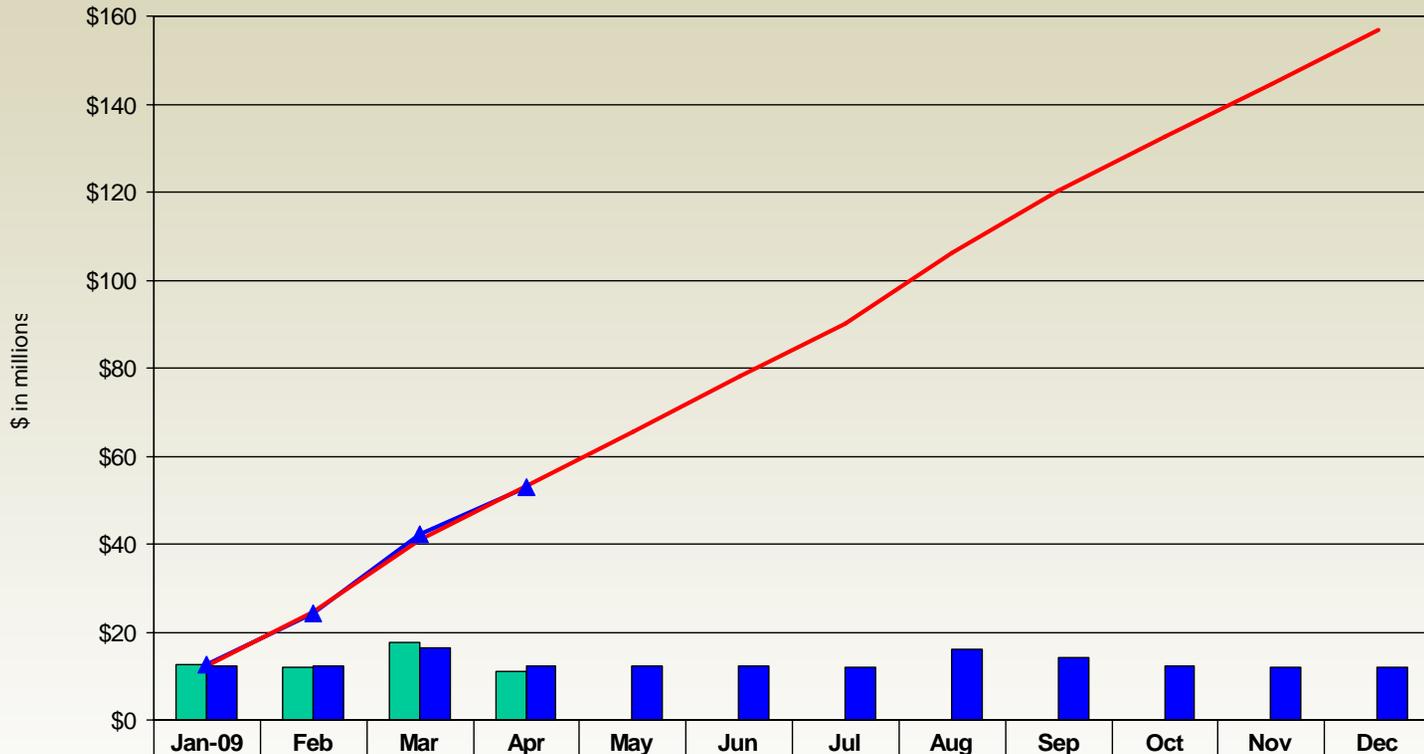


# 2009 YTD Cumulative Operating Revenues

Revenues = GMC, LGIP, WSCC Security & Other Fees

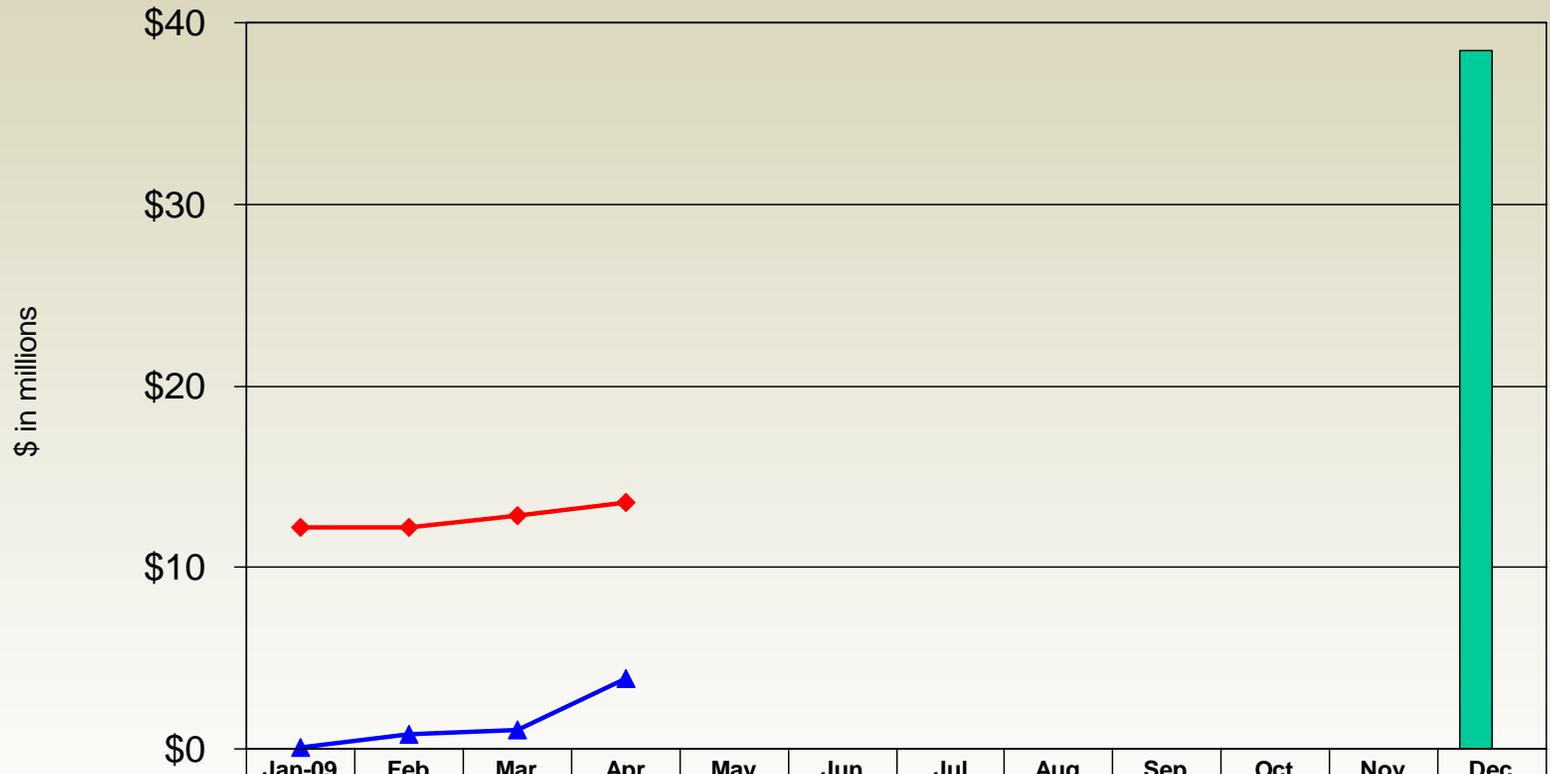


# 2009 YTD Operating and Maintenance Expenses



	Jan-09	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly Actual	12.47	11.93	17.69	10.90								
Monthly Budget	12.29	12.17	16.53	12.25	12.39	12.34	12.09	16.21	14.09	12.16	12.10	12.12
Cum Actual	12.47	24.40	42.09	52.99								
Cum Budget	12.29	24.46	40.99	53.24	65.63	77.97	90.05	106.26	120.35	132.51	144.61	156.73
Cum Variance	(0.18)	0.06	(1.10)	0.25								

# 2009 YTD Cumulative Capital Expenditures



	Jan-09	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Budgeted capital												38.50
2009 O&M Impact	0.00	0.00	0.00	0.00								
Cumulative Expenditures	0.09	0.80	1.08	3.88								
Approved projects	12.21	12.21	12.85	13.55								

# Capital/Project Listing

- The items below are posted on the ISO website:
  - 2009 active & completed capital/projects
  - 2010-2011 potential capital project list

Stakeholder comments request via email to:  
jcogdill@caiso.com by July 1, 2009

# Updates/Status Reports

- Current GMC Tariff
- FERC Refund
- New Building

# Key Calendar Dates (Tentative)

- Initial Stakeholder Meeting June 17
- Internal Budget Process June-Aug
- Board of Governors Mtg.- Review Prelim. Budget Sept 10-11
- Post Budget information for Stakeholder Meeting Sept 14
- Stakeholder Conference Call - Budget Process Sept 21
- Stakeholder Meeting – Review of Prelim. Budget Sept 23
- Written Stakeholder comments due to ISO Oct 9
- Board of Governors Meeting - Public Comments to Board Oct 29-30
- Board of Governors Meeting - Approval of Budget Dec 16-17
- Post Budget documentation to ISO website Dec 18

# Next Steps

- Written comments on today's discussion Jun 24
- Comments on Capital/Projects Jul 1
- Post Stakeholder comments and discussion Jul 1
- Post 2010 Budget Guidelines Aug 31
- Stakeholder conference Call/Meeting Sept 21,23

Please direct questions and comments to:

Denise Walsh, (916)-608-1236, [dwalsh@caiso.com](mailto:dwalsh@caiso.com)