

FY2022 Operation Budget

FY2022 Total Operational Costs							
		FY2021 Budget	FY2022 Budget	Variance \$	Variance %	7 Month Actual	% of FY2021
Administration/Advisory/Projects							
100	Salaries	947,014	857,182	(89,832)	-9.5%	427,111	45.1%
	Retirement Contribution	94,701	85,718	(8,983)	-9.5%	42,711	45.1%
	Health, Life, Disability, FICA, Medicare, Accrued PTO	314,826	315,149	324	0.1%	186,190	59.1%
200	Legal Counsel	117,000	135,000	18,000	15.4%	61,437	52.5%
300	Advisory Support	164,300	164,300	-	-	92,617	56.4%
400	Office Space Lease & Costs	175,478	180,743	5,265	3.0%	96,215	54.8%
500	Member Services, Board Meetings, Training	129,000	129,000	-	-	13,841	10.7%
600	Auto Expense	13,808	13,808	-	-	4,569	33.1%
700	IT/AV/Software	133,427	133,427	-	-	93,733	70.3%
	IT/Software for Pseudo-Tie	-	99,552	99,552	-	-	0.0%
800	Insurance	14,303	12,800	(1,503)	-10.5%	6,726	47.0%
900	Advertising & Marketing	17,612	11,100	(6,512)	-37.0%	3,361	19.1%
1000	Audit & Annual Report	55,840	55,840	-	-	44,317	79.4%
1100	Rating Agency	30,000	10,000	(20,000)	-66.7%	-	0.0%
1200	Associations & Lobbyist	57,780	57,780	-	-	700	1.2%
1300	Project Planning	72,000	72,000	-	-	33,508	46.5%
	Subtotals - Administration/Advisory/Projects	2,337,090	2,333,401	(3,689)	-0.2%	1,107,036	47.4%
Dispatch, Scheduling, Modeling							
1400	Energy Services Partner	613,129	632,916	19,787	3.2%	317,401	51.8%
1500	MAC Software, Data, and Subscriptions	187,941	187,941	-	-	59,052	31.4%
1600	MDMS/Communications/Meters/Pseudo-Tie	121,016	121,017	0	0.0%	14,637	12.1%
	Fees/Engineering/Communications for Pseudo-Tie	-	306,000	306,000	0.0%	-	0.0%
	Subtotals - Dispatch, Scheduling, Modeling	922,086	1,247,873	325,787	35.3%	391,090	42.4%
	Total Budget	3,259,176	3,581,275	322,099	9.9%	1,498,127	46.0%
Service Fees (Benham, Berea, Owensboro)							
		FY2021 Budget	FY2022 Budget	Variance \$	Variance %	7 Month Actual	% of FY2021
	Membership Fee	(111,347)	(111,347)	-	-	(64,952)	58.3%
	Transmission Service + Energy Carrying Charge	(73,930)	(73,930)	-	-	(43,126)	58.3%
	Dispatch/MAC Service	(200)	(200)	-	-	(101)	50.5%
	Resource Planning Service	(26,403)	-	26,403	-100.0%	(15,402)	58.3%
		(211,879)	(185,476)	26,403	-12.5%	(123,581)	58.3%
	All Requirements Group - Net Service Fees	3,047,297	3,395,799	348,502	11.4%	1,374,546	45.1%
Pseudo-Tie Summary							
		FY2021 Budget	FY2022 Budget	Variance \$	Variance %		
700	IT/Software for Pseudo-Tie	-	99,552	99,552	-		
1600	Fees/Engineering/Communications for Pseudo-Tie	-	306,000	306,000	-		
		-	405,552	405,552	-		
	AR Group - Net Service Fees without Pseudo-Tie	3,047,297	2,990,247	(57,050)	-1.9%		
	AR Group - Net Service Fees with Pseudo-Tie	3,047,297	3,395,799	348,502	11.4%		

100. Salaries, Benefits, Retirement, Accrued PTO

Decrease of \$98,321 under FY2021: Salaries, medical, dental, vision, life, disability, FICA, Medicare, accrued vacation/personal leave. In response to the coronavirus pandemic and the financial hardship on KYMEA's members and their customers, no salary increase for senior staff, 3% merit increase for junior staff member.

200. Legal Counsel

Increase of \$18,000 over FY2021: General legal support. 15.4% increase due to increased legal counsel support (approximately 4 hours per week).

300. Advisory Support

No change from FY2021: Special Counsel and Advisory. FERC and specialized legal support, transmission and communications support, and power supply advisory support. Advisory

services in FY2022 in support of Agency's 2022 portfolio changes. RFP and PPA development or some unforeseen legal expense not related to depancaking is not included in the budget.

400. Office Space Lease & Costs

Increase of \$5,265 over FY2021: Lease, IT closet utilities, maintenance. Contractual lease increase and expenses.

500. Member Services, Board Meetings, Training

No change from FY2021: Member meetings including annual meeting, portal design, member services travel. Training and fees to APPA, TAPS, legislative, HR, member communications, financial, software classes, certifications, etc.

600. Auto Expense

No change from FY2021: CEO vehicle fuel, maintenance, insurance, taxes, staff vehicle mileage

700. IT/AV/Software

Increase of \$99,552 over FY2021: Phones, copier, office supplies, IT service contract, internet, software subscriptions. Large increase driven by additional MAC (PME and back-up PME), Accounting (SEDC and Analytic Vision), MISO Pseudo-Tie support requirements and maintenance/license requirements.

800. Insurance

Decrease of \$1,503 under FY2021: Property and professional liability.

900. Advertising & Marketing

Decrease of \$6,512 under FY2021: Newsletters, website support, branding.

1000. Audit & Annual Report

No change from FY2021: Audit, annual report production and printing.

1100. Rating Agency

Decrease of \$20,000 under FY2021: Rating Agencies. Dropped additional expense for Moody's and S&P ratings.

1200. Associations and Lobbyist

No change from FY2021: APPA, TAPS, and KYMEA Lobbyists.

1300. Project Planning

No change from FY2021: Transmission system impact studies and strategic planning.

1400. Energy Services Partner

Increase of \$19,787 over FY2021: ESP services, model runs, trading accounts, trading fees and services, back-up server fee. Contractual energy service partner increase.

1500. MAC Software, Data, Training, and Subscriptions

No change from FY2021: Optimization model, data and market intelligence, load forecasting, RTO membership, training

1600. MDMS/Communications/Meters

Increase of \$306,000 over FY2021: MDMS license and maintenance, communications expense, meter testing. Large increase due to MISO pseudo-tie and dynamic scheduling (engineering support, software, OATIWeb, LG&E/KU, TVA, and MISO)

SERVICE FEES

Contra-Accounts - Decrease of \$26,403 under FY2021. No resource planning fees expected in FY2022.

- Membership Fee remains at 12¢ per kWh.
- Dispatch Service Fee remains at 45¢ per kWh.
- Transmission Service Fee remains at 38¢ per kWh.
- Energy Carrying Charge remains at 18¢ per kWh.
- Resource Planning Service Fee remains at 20¢ per kWh.

NET OPERATING BUDGET

Decrease of \$57,050 (-1.9%) under FY2021 without pseudo-tie expenses. Increase of \$348,502 (11.4%) over FY2021 with pseudo-tie expenses. The bulk of the increase (\$405,552) is driven by pseudo-tie and dynamic scheduling requirements (IT support, IT maintenance, license fees, engineering support).

CAPITAL BUDGET

\$250,000. Same as FY2021 Budget. The FY2021 Budget was increased by the Board at the December 29, 2020 Board meeting (\$100,000 was increased to \$250,000). Supports pseudo-tie and dynamic scheduling hardware, software, and communications requirements.

Document: [FY2022_Operating_Budget_Committee_02-25-2021.docx](#)

Spreadsheet: [V:\Finance & Accounting\FY 22\KYMEA Income Statement FY 22 Budget 02-25-2021.xlsx](#)