

Monitoring Analytics Actuals for 2008/2009

March 15, 2010

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Market Monitor



Monitoring Analytics

MA Presentation of Actuals for 2008/2009

- **Reporting requirements**
- **Actual 2008/2009 results**
 - **Summary by financial category**
- **Actual 2008/2009 capital expenditures**



MA Financial Reporting Requirements

- **Attachment M**
 - **Section III.E. Budget**
 - Annual budget submittal and review process
 - **Section VII. Audit**
 - Nationally recognized auditor.



MA Financial Reporting Requirements

- **Schedule 9 - MMU**
 - **Par e) Expenses**
 - **MMU actual expenses to PJM and Finance Committee by March 15**
 - **Detail and categories consistent with PJM budget slides**
 - **Par e) Audit**
 - **Audited financial statement to PJM and Finance Committee annually by May 15.**
 - **Solely for services provided to PJM.**



MA Financial Reporting Requirements

- **MMU/PJM Loan Agreement**
 - **Section F. Financial Books; Financial Reports**
 - **To the extent required by the Settlement Agreement and the MMSA**
 - **MMU provides to PJM consolidated report of financial condition per year end**
 - **Audited and certified by nationally recognized public accountants and associated report**
 - **Within 90 days of end of fiscal year**
 - **This does not create an additional reporting obligation**



MA Financial Reporting Requirements

- **MMSA**
 - **Section 14. Budget.**
 - **References requirements of Attachment M**



MA Financial Reporting

- **MA began operation August 1, 2008**
 - **Seventeen months through YE 2009**
 - **Includes start up period**
 - **MA build out began in January 2008**
- **MA actual 2008/2009 results**
 - **Actual revenues for 2008/2009: \$13.4M**
 - **Actual revenues reduced by actual expenses: \$2.1M**
 - **Sum of expense components greater than reported actual expenses**
 - **PJM compensated MA for transition expenses**
 - **Deferred balance: \$2.1M**
 - **Tariff 9-MMU rate decrease**



2008/2009 Actual Revenue, Expenses and Deferred Balance (17 mo.)

Revenue	\$	13,395,067
Interest income	\$	20,616
Expenses	\$	11,337,920
Revenue less Expenses	\$	2,077,763
Deferred Balance 12/31/09	\$	2,077,763



Description of Financial Categories

Compensation	Salaries, Benefits, Pension, Postretirement Healthcare Benefits
Non-Employee Labor	Contractors, Consultants, Legal, Auditors, Duplication
Technology	Hardware Maintenance, Software Licenses, Hardware leases, Telecommunications, Hardware/Software Purchases & Supplies
Depreciation/ Interest	Depreciation and Amortization plus Interest Expense less Interest Income
Other	All other Expenses
Income Taxes	Income Tax Expense



Summary by Financial Category: 2008/2009

Compensation	\$	4,294,637
Non-employee labor	\$	2,260,967
Technology	\$	1,774,157
Depreciation/Interest	\$	2,699,743
Other	\$	541,141
Income Taxes	\$	-
Total	\$	11,570,645



Capital Expenditures

Period	Capital Expenditures
2008/2009	\$ 5,786,765

