

FY2020 Budget vs Actual Notes

**Intertie Project and Parker-Davis Project
Fiscal Year 2020 Budget vs Actual Meeting
December 2, 2020**

Parker-Davis Project

- COVID-19 and social distancing were contributing factors to execution this year.
- Administrative maintenance support (ADMSM) and environmental (ENVTM) were previously included in O&M of substation related facilities (SUBSM). We continue to evaluate the proper charging for each of these categories. The combined FY 2020 execution was 85%.
- For communication and control (COMMM), vehicle costs increased due to COVID-19 restrictions.
- Due to outage cancellation and COVID-19 restrictions, direct maintenance of transmission lines (LINSM) shifted to indirect maintenance of transmission lines (LINCM). All power systems share the cost of COVID-19 mitigation through the indirect rate. LINSM and LINCM combined executed at 90%.
- For power billing and collecting (BILLM), Meters and Settlements have staff vacancies which are affecting execution, lowering their expenditure rates.
- For safety expense (SAFEM), travel and site visits for facility inspections were significantly impacted by COVID-19.
- For transmission/engineering studies (STUDM), engineering studies were conducted for several projects. Costs incorrectly charged to Parker-Davis project are being moved in FY21. Transmission services costs are higher than formulated due to engineering salary increases that were not budgeted for in FY 2020.
- For service facilities (SVC FM) there were numerous COVID-19 requirements such as electrostatic sanitation of working spaces and rental of RV trailers for operations personnel in preparation for possible sequestration.
- Projects were added to the FY 2020 Capital O&M program, utilizing available appropriated funding. Specifically:
 - Transmission lines and equipment (LINSB)- Wood Pole Program, specifically Blythe to Knob, ED5 to Rattlesnake, Rattlesnake to Tucson, and Apache to Nogales lines.
 - Communication and control (COMMB)- UHF radio replacements (Phoenix Service Center)
 - Substation equipment (SUBSB) executed 69% of the FY20 revalidated budget, this is offset by the execution in transmission lines and equipment (LINSB) and communication and control (COMMB).
- For construction spending:
 - As stated in previous Ten-Year Plan meetings, COVID-19 has impacted many of our construction projects. This required DSW to shift work on these projects. Updates will continue to be provided at Ten-Year Plan Meetings.
- PPW executed at 183% of the authority requested. The authority requested is not an execution target, just a placeholder so funding is available if required.



Intertie Project

- The combined FY20 execution for administrative maintenance support (ADMSM), environmental (ENVTM), and O&M of substation related facilities (SUBSM) was 100%.
- For communication and control (COMMM), vehicle costs increased due to COVID-19 restrictions.
- Due to outage cancellation and COVID-19 restrictions direct maintenance of transmission lines (LINSM) shifted to indirect maintenance of transmission lines (LINCM). All power systems share the cost of COVID-19 mitigation through the indirect rate. LINCM and LINSM combined executed at 100%.
- For power billing and collecting (BILLM), Meters and Settlements have staff vacancies which are affecting execution, lowering their expenditure rates.
- For direct substation hours (SUBCM), additional labor hours were incurred due to COVID-19 social distancing and travel restrictions.
- For service facilities (SVCFM), there were numerous COVID-19 requirements such as electrostatic sanitation of working spaces and rental of RV trailers for operations personnel in preparation for possible sequestration.
- Capital O&M projects didn't execute as formulated in Intertie. Specifically, anticipated transmission line projects for Mead Phoenix Project were not required.
- For construction spending:
 - As part of the Liberty Series Cap Bank project budget, funds were retained to cover any construction contract modifications that would be required. The level of modifications that were planned were not necessary despite this project having a higher risk than normal for modifications.
- PPW executed at 121% of the authority requested. The authority requested is not an execution target, just a placeholder so funding is available if required.

