Activities Based Costing (ABC)

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Stakeholders Overview

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ABC – What is it?

- ABC is a method for assigning costs to defined activities

- Organizations vary in implementation

- We are taking the first step – time reporting of effort (hours) worked against high-level Processes and Projects

- Possible Future Steps

  - True-up of all budget areas to activities
  - Automated integration ABC with budgeting

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ABC – Why are we doing it?

- To gather and provide data for resource allocation decision-making;

- To stimulate continuous business process improvement and demonstrate how resources are allocated to the ISO's end-to-end business processes;

- To gives us the ability to track actual time spent on processes and projects and give managers the ability to compare that to what was expected/planned;

- To provide visibility into the total resource allocation of project execution.

End-to-End Process Overview

Process Name

Develop Markets

Develop Infrastructure

Support Customers & Stakeholders

Manage Market & Reliability Data & Modeling

Manage Market Setup & Execution

Operate Real Time Market & Grid

Manage Operations Support & Settlements

Plan and Manage Business

Support Business Services

Manage Human Capabilities

Key Activities

- Regulatory, Market, Policy and Product Design

- Transmission Planning, Grid Assets reviews and Interconnections

- Client, Account and Stakeholder processes, Government Affairs and Communications

- Resource data setup and changes, Training, Base Model Setup, Congestion Revenue Rights

- Outages, Day Ahead Market, Interchange Scheduling

- Hour Ahead, Real Time, Generation and Transmission Dispatch

- Operations Data Analysis, Billing & Settlements, Disputes
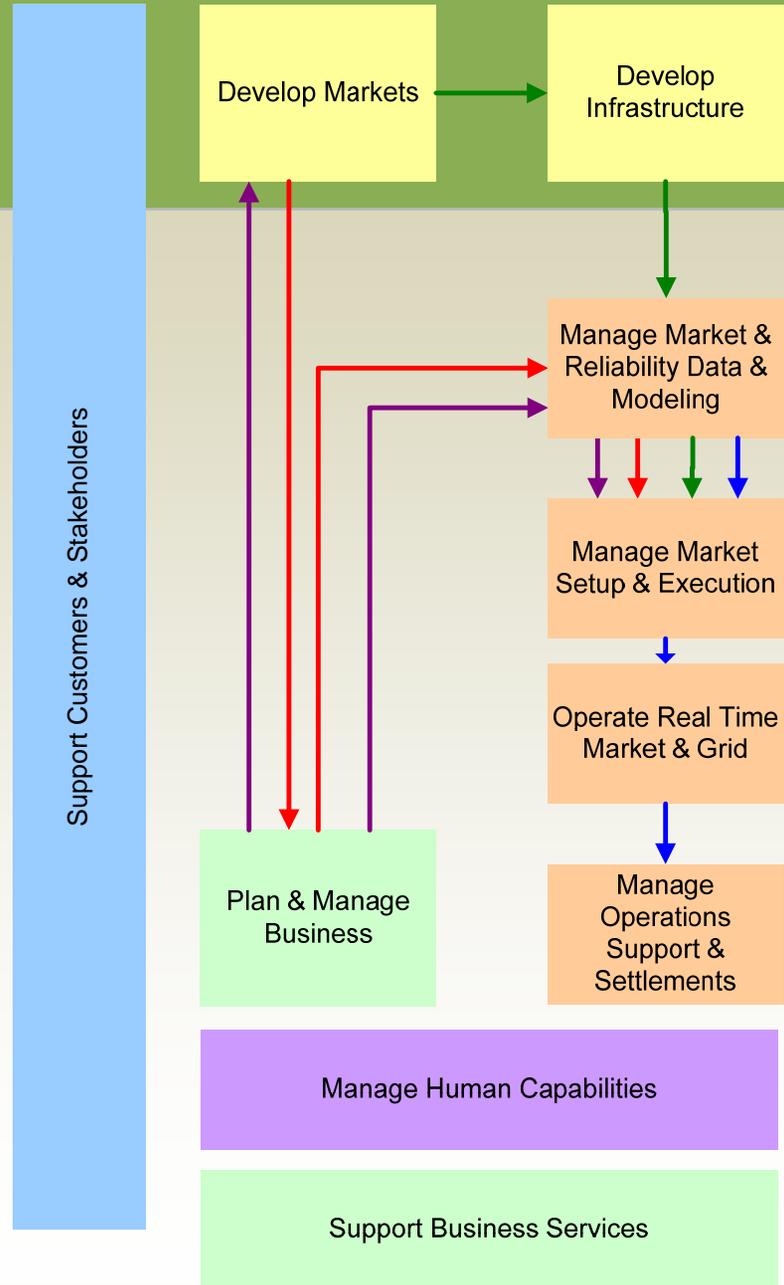
- Strategic Planning, Governance, Budgeting, Project Management

- General, IT, Financial, Legal & Compliance Support Services

- Employee Lifecycle, Training, Organizational Development

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Project Milestones

Training for Pilot: July

Pilot Timeframe: August

Training for all: September

Launch: 9/30/2009

Questions?

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