



Overview of Cost Allocation Methodologies – Direct

- **Directed Allocation Pools:** Cost pools that can be distributed with more precision, based on specific cost drivers (split other than 50/50 to power and transmission rates)
 - Activities are managed and budgeted centrally, but methods exist to assign costs to benefactors
 - Functions can be linked to cost drivers and can change based on those drivers
 - Direction of effort studies or other means can be used to allocate in a cost-effective manner

Directed Allocation:

- **Security Services** – Building security, emergency services, crime witness program
 - Allocation base: Direction of Effort/**FTE** – 21.6% power, 1.8% F&W, 76.6% transmission
- **Risk Management** – Risk analysis and mgmt services for both power & transmission
 - Allocation base: Direction of Effort/**Analysis of use** – 48% power, 52% transmission
- **IT Infrastructure** – Desktop support, Server Support, Telecommunications
 - Allocation base: Direction of Effort/**Computer location and usage**– 33.6% power, 1.0% F&W, 65.4% transmission
- **IT Business Enterprise System** – Enterprise solution/resource Planning software
 - Allocation base: Direction of Effort/**Analysis of use** – 30% power, 70% transmission
- **Dedicated IT Projects** – Direct support of business line specific IT projects
 - Allocation base: Project Specific – 100% power or 100% transmission



Support Cost Allocation Pools

Directed Allocation (continued):

- **Contracting and Forecasting Services**
 - Allocation base: Direction of Effort/**Analysis of usage** – 48% power, 52% transmission
- **Human Resources Services – Personnel and Library Services**
 - Allocation base: Direction of Effort/**FTE** – 21.6% power, 1.8% F&W, 76.6% transmission
- **Public Affairs – Public Affairs and Communication**
 - Allocation base: Direction of Effort/**Even allocation with a portion allocated to Fish and Wildlife** – 45% power, 5% F&W, 50% transmission
- **Workplace Services – Building management and facility support**
 - Allocation base: Direction of Effort/**Space Usage** – 38.8% power, 3.6% F&W, 57.6% transmission
- **Supply Chain Purchasing – Purchasing function**
 - Allocation base: Direction of Effort/**Analysis of usage** – 37.8% power, 37.0% F&W, 25.2% transmission
- **Billing and Metering Services – Billing and metering of customer sales**
 - Allocation base: Direction of Effort/**Analysis of usage** – 58% power, 48% transmission
- **Safety – Administering safety program, training, accident investigation, etc.**
 - Allocation base: Direction of Effort/**Analysis of usage** – 11% power, 89% transmission
- **Aircraft Services – Fixed-wing aircraft usage**
 - Allocation base: Direction of Effort/**Analysis of usage** – 35% power, 65% transmission
- **Dedicated Workplace Services Projects – Direct support of business unit specific workplace services projects**
 - Allocation base: Project Specific – 100% power or 100% transmission
- **Supply Chain Administration – Administration of the Supply Chain operation**
 - Allocation base: Direction of Effort/**Analysis of usage by Business Unit** – 13.4% power, 86.6% transmission