

What is driving the need for increased resources?

Internal Business Services: FY09 Actuals compared to FY12 Forecast

Explanation of \$45.8M

Workplace Services

(\$23M or 50% of the increase):

- 1) \$17M: Catch-up delayed maintenance of non-electric transmission facilities
- 2) \$4.5M: Increased GSA rent
- 3) Offset by efficiencies in electricity, water, printing, moves

Information Technology (\$9.7M or 21% of the increase):

- 1) Doubling of capital work from FY09 to FY11 related to new IT systems for Transmission (TPIP) and Power (Regional Dialogue) results in a net operations and maintenance increase
- 2) Increased O&M costs of other new projects which deliver benefits to the agency
- 3) Catch up of delayed replacement of desk top hardware
- 4) Offset by \$1.1M in planned efficiencies

Human Capital Management (\$4.5M or 9.9% of the increase):

- 1) Transferred recognition funding from Administrator's budget
- 2) Worker's comp unusually low in FY09 and unanticipated credit from prior year
- 3) Staffing levels held too low in FY09 as a part of expense reduction strategy
- 4) Increased focus on Talent Management Strategy
- 5) Re-established technology systems technical training
- 6) Offset by FTE savings through automation and process redesign

Supply Chain (\$4.4M or 9.6% of the increase):

- 1) Materials procurement, contract development & management, fleet, logistics and supplemental labor procurement support to significant increases in Transmission capital, F&W, EE, Technology Innovation and IT programs
- 2) Staffing levels held too low in FY09 as a part of expense reduction strategy
- 3) Deferred inventory and investment recovery center activities in FY09
- 4) Established Supplemental Labor Management Office to deliver on agency-wide lower budget levels for supplemental labor (embedded through efficiency savings assumptions)
- 5) Offset by new contracting process for Transmission, contracting model for rest of programs, consolidating field yards, bar coding etc.

Security (\$2.0M or 4.3% of the increase):

- 1) NERC CIP and DOE compliance (physical security measures and monitoring)
- 2) Offset by redeployment of security services

Business Process & Analysis Group

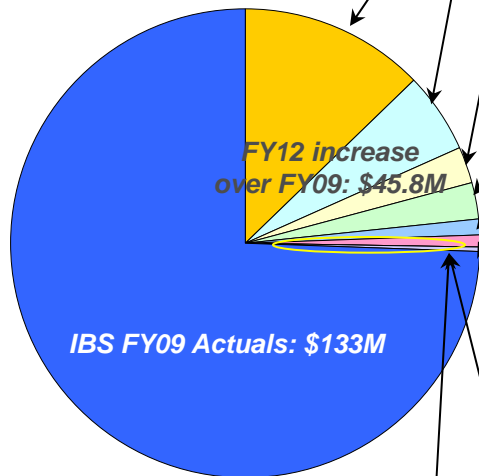
(\$1.4M or 3.1% of the increase):

- 1) Established follow-on EPIP functions for the agency to focus on operational excellence
- 2) Ongoing O&M of self service functions across IBS
- 3) Off-set by redeployment of FTE, productivity/efficiency savings across agency

Safety (\$0.4M or 0.9% of the increase):

- Increased support to review safety and oversee elements in Transmission contracts

Total IBS:
FY12: \$178.9M



IBS Front Office

(\$0.4M or 0.9% of the increase):

- Increased integration of sustainability and business continuity across IBS