

LSS Project Status

Business Issues Committee January 10, 2007

Q4 2006

Performance Themes

- ◆ Projects are categorized in three themes:
 1. *Improve Service*
 - ◆ Services are those processes which output to the customer – can be thought of as executing a process as designed
 2. *Improve Product Performance and Design*
 - ◆ Product performance and design focuses on enabling services to perform well
 3. *Improve Internal Process*
 - ◆ Internal processes are those needed to “keep the business running”, their output is to NYISO staff or regulators

Process Measurement

- ◆ Process performance is measured using a sigma value. This allows the measurement of unlike processes.
- ◆ Sigma measures defects per million opportunities (DPMO)
 - *6 sigma = 3.4 DPMO*
 - *5 sigma = 230 DPMO*
 - *4 sigma = 6200 DPMO*
 - *3 sigma = 66800 DPMO*
 - *2 sigma = 308500 DPMO*
 - *1 sigma = 691500 DPMO*

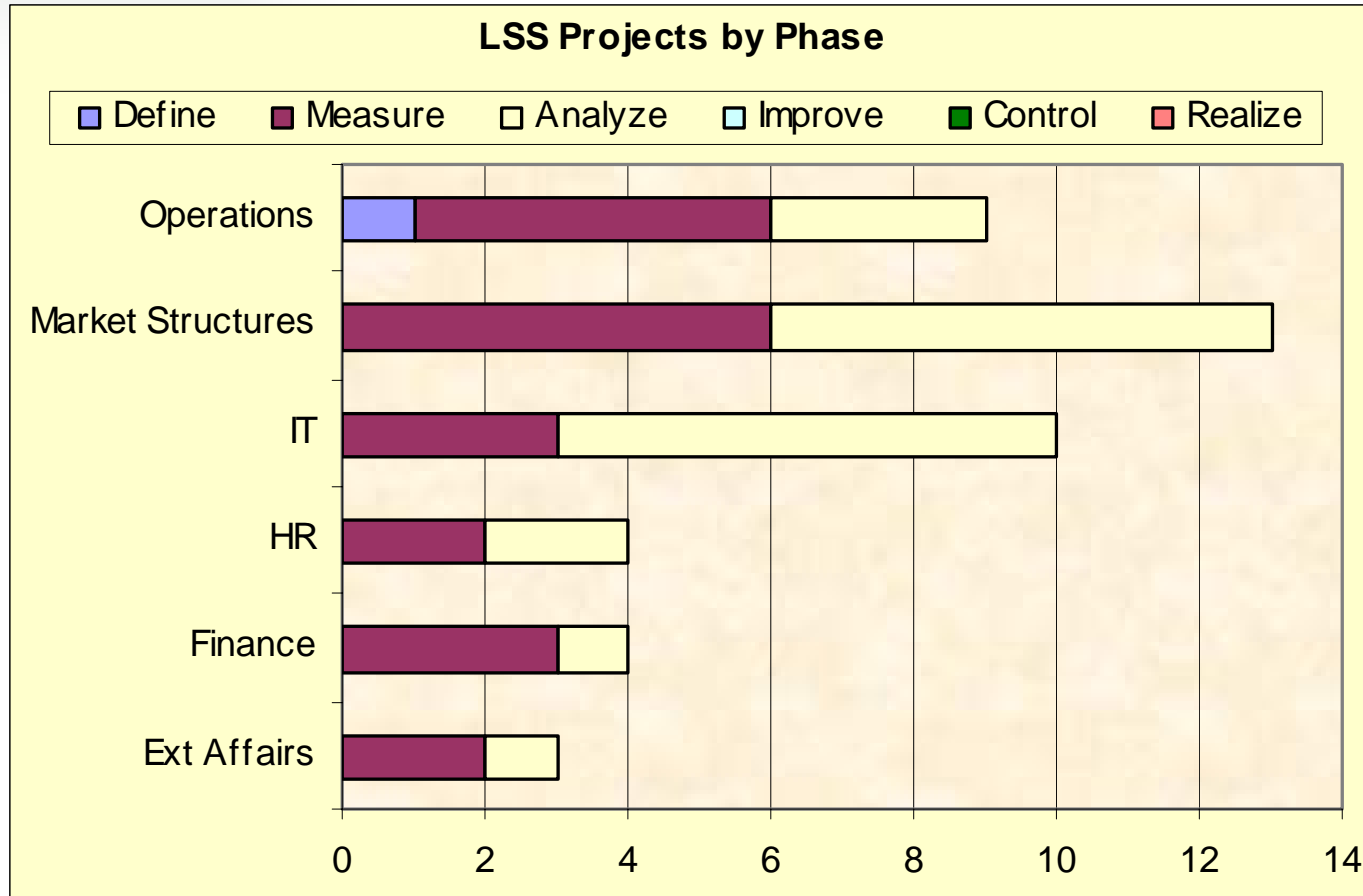
Process Measurement

- ◆ Each process improvement project (PIP) has a baseline sigma calculated during the measure phase.
- ◆ Once the baseline is calculated, a target is set. Targets are 70% sigma improvement for baseline sigma values of 3 sigma or less, and 50% if the baseline is greater than 3 sigma.
 - *For some projects these targets may be very aggressive.*

2007 Plans

- ◆ PIP selection
 - *Projects aligned with business plan*
- ◆ PIP launch ~ 20 / month for 5 months
 - *~ 100 Green Belt projects to be launched in 2007*
 - *4 – 10 Black Belt projects to be launched in 2007*

Current Project Status



Improve Services

Project Name

Objective

	Project Name	Objective
Ops	<ol style="list-style-type: none"> 1. Improve Operator Display Updates 2. Reduce data entry interactions for generator derates 3. Improve Access to Historical ICAP Data 4. Reduce TCC collateral change process cycle time 5. Reduce Generator Limit Changes 6. Reduce DMNC update time 	<ol style="list-style-type: none"> 1. Reduce the average cycle time to update operator displays with new/revised information or format. 2. Reduce the number of required data entry interactions with the OOM package. 3. Reduce time to access historical ICAP data. 4. Reduce the gap time between when the bidding window opens and when bid validation begins 5. Reduce the frequency of certain types of OOM actions. 6. Reduce the average cycle time of verifying DMNC results.
Fin	<ol style="list-style-type: none"> 1. Reduce % manual adjustments not in initial invoice 2. Reduce billing inquiries resolved in > 1 day 	<ol style="list-style-type: none"> 1. Reduce the quantity of manual transaction adjustments not included in the initial invoice. 2. Reduce the number of inquiries resolved outside of one business day.
Market Structures	<ol style="list-style-type: none"> 1. Reduce billing inquiries assignment cycle time 2. Reduce # of changes to SW release cont. before cust. Notification (IT) 3. Improve delivery of probe report 4. Improve digital certificate registration 5. Reduce time to fulfill PSC data request 	<ol style="list-style-type: none"> 1. Reduce the number of billing inquiries resolved outside of one business day. 2. Reduce release content changes after the software release content freeze. 3. Reduce time to deliver daily report. 4. Reduce cycle time. 5. Reduce cycle time to make available responses to PSC data requests.

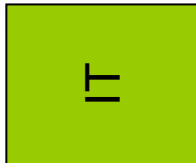
Improve Product Performance and Design

	Project Name	Objective
<p style="text-align: center; background-color: #92d050; color: black; padding: 20px;">IT</p>	<ol style="list-style-type: none"> 1. Improve Network Operations Center (NOC) procedures 2. Improve QA Database Requests Response CT 3. Improve Release Availability in QA Environments 4. Improve IT problem reporting process 5. Reduce # of Days Data-mart Unavailable At 5:00 AM 6. Reduce failover process cycle time 	<ol style="list-style-type: none"> 1. Increase the # of confirmed procedures performed within defined time limit by NOC staff. 2. Reduce completion time on QA DBA support maintenance requests. 3. Reduce # of tracked changes that were not completed by the scheduled date for pre-release integration. 4. Reduce cycle time to resolve incident reports. 5. Reduce the number of days the Datamart is not available at 5:00 a.m. 6. Reduce number of failovers that exceeds 10 minutes in duration
<p style="text-align: center; background-color: #d8bfd8; color: black; padding: 20px;">Market Structures</p>	<ol style="list-style-type: none"> 1. Reduce TCC Software Development Rework 2. Reduce Functional Requirements Spec. Approval Time 3. Reduce Unavailability of MMP Ranger Systems 4. Reduce IT software changes before business impact assessment complete 	<ol style="list-style-type: none"> 1. Reduce number of code changes due to requirements changes 2. Reduce FRS approval time 3. Improve availability of MMP Ranger workstations 4. Reduce the number of change trackers issued before a business impact statement has been written within the BI product area

Improve Internal Processes

Project Name

Objective



1. Reduce UNIX account creation time
2. Reduce SW errors received from vendors
3. Improve infrastructure design approval

1. Reduce cycle time of user account creation
2. Reduce the number of software errors in code delivered by vendors
3. Reduce the % deviation of actual from forecast planned completion date



1. Reduce audit report issuance time
2. Reduce number of audit fieldwork hours over budget
3. Reduce ratio actual to forecasted LOE labor
4. Reduce ratio actual to budget hours on projects
5. Reduce # of Consultants Without Equipment/Accounts By Start Date
6. Reduce cycle time to approve NYISO manuals

1. Reduce the time between audit fieldwork completion and the closing meeting.
2. Reduce the percentage of process review fieldwork that is over-budget.
3. Improve forecasting process.
4. Improve budgeting process.
5. Reduce the number of IT consultants that do not have their equipment and user accounts by their start date.
6. Improve the cycle time to approve NYISO Manuals.

Improve Internal Processes

	Project Name	Objective
Ops	<ol style="list-style-type: none"> 1. Reduce # of employee transfers not complete by start date 2. Improve Timeliness of Interconnection Scoping Meetings 3. Reduce interconnection project PO cycle time 	<ol style="list-style-type: none"> 1. Reduce # of employee transfers not complete by start date 2. Reduce the number of interconnection scoping meetings not held within 30 days of request 3. Reduce the PO process cycle time
HR / Finance / External Affairs	<ol style="list-style-type: none"> 1. Reduce time to hire new employees 2. Reduce cycle time and cost of producing / editing internal newsletter (2) 3. Reduce resources to flag out of merit conditions 4. Reduce Number of Interconnection Study Checks Deposited in >2 Days 5. Reduce time to conduct post exit interviews 6. Reduce travel expenses for out of town interviews 	<ol style="list-style-type: none"> 1. Reduce the % of positions that require >60 days to fill. 2. Reduce cost and time to produce the internal news letter. 3. Reduce person-hours required to verify & appropriately flag out of merit operations. 4. Increase the Interconnection Study checks deposited with in two days of receipt. 5. Increase the percentage of files closed within 24 business hours of employee exit. 6. Decrease percentage of out of town interviews costing more than \$650 to conduct.

Questions?