

NON-CAPITAL		PE DECEMBER 2000		
Function	Original Budget	December PE	Variance	Explanation
Legislative Initiatives ELI & EGS-LIA	1,123,000	1,123,000	-	
EM	272,200	272,200	-	
ENCI	330,000	330,000	-	
State Implementation EAI	880,000	880,000	-	
EGS-TX	7,854,000	7,854,000	-	
Corp. Bus Svcs (CBS)	-	-	-	
Finance & IT	-	-	-	
Federal	2,790,000	2,360,000	(430,000)	Reduction due to some attorney fees are being pd by Legal.
System	200,000	-	(200,000)	
Fossil Ops	150,000	-	(150,000)	Dollars shifted from NC to CAP due to model development
Restructuring	700,000	-	(700,000)	Unfunding and competitive systems (Anderson & system charges)
Retail	145,002	6,246,439	6,101,377	\$1mm reduction in Budget reflects lower Process design and Training costs being handled by R&D integration. Distribution PE supports changes to shared processes such as Call Centers, Billing and Metering.
Distribution - WIP	2,768,194	481,184	(2,287,010)	
Mkt Mechanics	-	700,000	700,000	
D&R Integration (202)	-	4,995,775	4,995,775	\$1.6 mm increase reflects the development of centralized change management functions to support both Retail and Distribution functions. Includes Process & Organizational Design, Training, Jurisdictional Liaison, Project Management and Employee Communication
TTC Integration (NRP/Office)	3,004,111	3,004,111	-	
Administration	2,435,815	2,480,288	44,473	
184	1,612,186	812,186	(1,000,000)	
219	-	-	-	
227	-	-	-	
209	781,205	781,205	-	
NC Subtotal	25,203,778	32,330,371	7,116,593	
TRANSCO	2,608,000	90,000	(2,718,000)	
GENCO	500,000	500,000	-	
INC Subtotal	3,308,000	590,000	(2,718,000)	
NC Total (incl. GENCO)	28,012,778	32,410,371	4,397,593	
Grand Total (incl. GENCO)	107,289,328	55,952,818	(51,416,510)	

CAPITAL		YTD December 2000		
Function	Original Budget	Actuals	Variance	Explanation
Legislative Initiatives ELI & EGS-HA	-	5,664	5,664	
EMI	-	-	-	
ENCI	-	-	-	
State Implementation EAI	-	7,006	7,006	
EGS-TX	-	4,414	4,414	
Corp. Bus Svcs (CBS)	-	-	-	
Finance & IT	-	-	-	
Federal	-	1,157,443	1,157,443	
System	200,000	-	(200,000)	
Fossil Ops	900,000	1,259,442	359,442	
Restructuring	900,000	1,376,934	876,934	Dollars shifted from NC to CAP due to model development
Revisi	3,886,500	-	(3,886,500)	No capital expenditures to date based on corporate Accounting's decision to follow CAAP rather than FERC accounting policies, projects are still in the planning and design phases.
Distribution - WIP	21,916,052	719,898	(21,197,154)	
Mkt Mechanics	20,000,000	4,435,915	(24,564,085)	
DAR Integration (202)	-	142,087	142,087	
Administration	-	-	-	
184	-	-	-	
219	-	35,708	35,708	Computer equipment and pjt.
227	-	24,940	24,940	Consultants - Utilities Int.
206	-	104,271	104,271	
CAP Subtotal	58,402,552	9,270,460	(47,132,072)	
Legal (TRANSOCON-visited \$)	-	621,227	621,227	
TRANSO	22,864,000	15,942,724	(6,921,276)	Deferring major capital expenditures until reaching commitments from partners.
	22,864,000	16,463,951	(6,390,049)	
GENCO	-	-	-	
CAP Total (excl. GENCO)	79,266,552	25,734,431	(53,532,121)	

NON-CAPITAL		YTD December 2000		
Function	Original Budget	Actuals	Variance	Explanation
Legislative Initiatives				
ELJ & EGS-ILA	1,123,000	1,062,268	(40,732)	
EM	272,200	154,987	(117,213)	
ENR	330,000	14,418	(315,582)	
State Implementation				
EAI	860,000	850,068	(9,932)	
EGS-TX	7,854,000	6,269,547	(1,584,453)	
Corp. Bus Svcs (C&S)	-	-	-	
Finance & IT	-	-	-	
Federal	2,780,000	258,726	(2,521,274)	
System	200,000	-	(200,000)	
Fossil Ops	150,000	-	(150,000)	
Restructuring	700,000	-	(700,000)	
Retail	145,002	6,696,084	6,551,082	Dollars shifted from NC to CAP due to model development
Distribution - WIP	2,758,194	2,353,002	(405,192)	
Mkt Mechanics	-	715,134	715,134	
DS & R Integration (202)	-	985,017	985,017	
TTC Integration (NB/Prj) Office	3,004,111	3,313,432	309,321	
Administration				
164	2,435,815	2,683,329	247,514	
219	1,812,169	600,888	(1,211,281)	
227	-	116,183	116,183	
239	781,205	722,018	(59,187)	
NC Subtotal	25,203,776	26,985,999	1,782,223	
TRANSCO	2,809,000	(859,597)	(3,668,597)	
GENCO	500,000	873,511	373,511	
NC Total (excl. GENCO)	28,012,776	26,326,412	(1,686,364)	
GRAND TOTAL (incl. GENCO)	107,289,326	92,060,943	(15,228,383)	

Updated TTC Budget

Total Project			
	'00 Bud + '01 Bud	'00 Actuals + '01 'PE	Variance
Legislative Initiatives ELI & EGS-HA	-	5,884	5,884
ENOI	-	-	-
State Implementation	-	-	-
EAI	-	-	-
EGS-TX	-	7,096	7,096
Corp. Bus Svcs (CBS)	-	4,414	4,414
Finance & IT	-	-	-
Federal	2,856,264	2,856,264	-
System	446,078	446,078	-
Fossil Ops	-	-	-
Restructuring (2AS, 208)	200,000	1,157,443	1,157,443
Retail (288)	3,886,500	3,886,500	-
Distribution - WIP (289)	21,816,052	21,816,052	-
Plant Mechanics (2AS, 208, 289)	29,000,000	29,000,000	-
D&R Integration (202)	-	142,067	142,067
Administration	-	-	-
184	-	-	-
219	-	-	-
221	-	-	-
209	-	-	-
CAP Subtotal	74,452,756	31,132,523	(43,320,233)

2001			
Original Budget	PE	Variance	
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,856,264	2,856,264	-	-
446,078	446,078	-	-
-	-	-	-
2,831,130	2,272,688	(338,442)	-
-	-	-	-
-	-	-	-
1,650,260	1,650,260	-	-
8,090,904	12,261,185	4,170,281	-
2,575,548	2,575,548	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
19,050,204	21,862,043	3,811,839	

44,374,000	44,374,000	-
5,540,000	4,545,716	(994,284)
85,547,829	81,836,353	(3,711,476)
94,087,829	86,182,089	(7,905,740)
188,640,385	117,314,592	(71,325,793)

44,374,000	44,374,000	-
5,540,000	4,024,489	(1,515,511)
85,547,829	85,547,829	-
71,233,829	69,718,118	(1,515,711)
89,283,833	91,580,161	2,296,328

CAPITAL			
Function	Original Budget	Actuals	Variance
Legislative Initiatives ELI & EGS-HA	-	5,884	5,884
ENOI	-	-	-
State Implementation	-	-	-
EAI	-	-	-
EGS-TX	-	7,096	7,096
Corp. Bus Svcs (CBS)	-	4,414	4,414
Finance & IT	-	-	-
Federal	200,000	1,157,443	1,157,443
System	900,000	1,258,442	358,442
Fossil Ops	-	-	-
Restructuring (2AS, 208)	500,000	1,375,934	875,934
Retail (288)	3,886,500	3,886,500	-
Distribution - WIP (289)	21,816,052	21,816,052	-
Plant Mechanics (2AS, 208, 289)	29,000,000	29,000,000	-
D&R Integration (202)	-	142,067	142,067
Administration	-	-	-
184	-	-	-
219	-	-	-
221	-	-	-
209	-	-	-
CAP Subtotal	56,402,552	9,270,480	(47,132,072)

GENCO/ENVO (Programs All Yrs)	-	-	-
Legal (TRANSCO-related \$)	-	521,227	521,227
TRANSCO	22,854,000	15,942,724	(6,911,276)
CAP Subtotal	22,854,000	16,463,951	(6,390,049)
CAP Total (excl. GENCO)	79,256,552	25,734,431	(53,522,121)

2001 updated budget v02_01R.xls

Updated TTC Budget

Function	2000			2001			Total Project		
	Original Budget	Actuals	Variance	Original Budget	PE	Variance	'00 Bud + '01 Bud	00 Actuals + 01 PE	Variance
Legislative Initiatives									
ELI & EGSI-LA	1,123,000	1,082,898	(40,102)	793,000	1,286,247	503,247	1,908,000	2,389,145	483,145
EMI	272,200	154,967	(117,233)	570,000	175,000	(395,000)	842,200	329,967	(512,233)
ENOI	330,000	14,418	(315,582)	644,000	644,000	-	974,000	658,418	(315,582)
State Implementation									
ENI	850,000	850,000	(0)	1,525,000	424,900	(1,100,100)	2,405,000	1,274,988	(1,130,012)
EGSI-TX	7,854,000	6,269,547	(1,584,453)	12,617,974	12,617,974	-	20,471,974	18,887,921	(1,584,053)
Corp. Bus Svcs (CBS)									
Finance & IT	-	-	-	40,000	40,000	-	40,000	40,000	-
Federal	2,760,000	258,726	(2,501,274)	2,549,997	2,549,997	-	2,549,997	2,549,997	-
System	200,000	-	(200,000)	400,000	400,000	-	3,160,000	689,726	(2,501,274)
Fiscal Ops	150,000	-	(150,000)	961,507	350,000	(611,507)	741,507	350,000	(391,507)
Legal	700,000	-	(700,000)	8,060,000	8,348,062	288,062	8,060,000	8,388,062	328,062
Restructuring	145,062	8,886,064	8,741,002	-	-	-	145,062	8,886,064	8,741,002
Distribution - W/P	2,756,194	2,353,062	(403,132)	1,334,917	1,334,917	-	4,091,111	3,887,879	(203,232)
Mkt Mechanics	-	715,134	715,134	589,868	589,868	-	589,868	1,285,002	695,134
DE R Integration (202)	-	965,017	965,017	5,308,565	5,308,565	-	5,308,565	6,273,562	965,017
TTC Integration (NB/PI) Office	3,004,111	3,313,432	309,321	-	-	-	3,004,111	3,313,432	309,321
Administration									
184	2,435,915	2,683,529	247,614	2,295,948	2,295,948	-	4,731,763	4,979,477	247,714
219	1,812,169	800,888	(1,011,281)	5,804,587	5,804,587	-	7,616,775	8,405,473	788,698
221	-	116,193	116,193	-	-	-	-	116,193	116,193
209	761,205	722,018	(39,187)	1,071,452	1,071,452	-	1,852,657	1,793,470	(59,187)
NC Subtotal	25,203,776	26,985,999	1,782,223	44,186,815	43,281,517	(905,298)	69,370,591	70,247,516	876,925

GENCO	500,000	673,511	173,511
TRANSFO	3,385,000	(83,587)	(3,468,587)
NC Subtotal	3,385,000	(83,587)	(3,468,587)

72,755,591 70,163,929 (2,591,662)
241,295,976 187,478,521 (53,817,455)

Function	2000			2001			Total Project		
	Original Budget	Actuals	Variance	Original Budget	PE	Variance	'00 Bud + '01 Bud	00 Actuals + 01 PE	Variance
Legislative Initiatives									
ELI & EGSI-LA	1,123,000	1,082,898	(40,102)	793,000	1,286,247	503,247	1,908,000	2,389,145	483,145
EMI	272,200	154,967	(117,233)	570,000	175,000	(395,000)	842,200	329,967	(512,233)
ENOI	330,000	14,418	(315,582)	644,000	644,000	-	974,000	658,418	(315,582)
State Implementation									
ENI	850,000	850,000	(0)	1,525,000	424,900	(1,100,100)	2,405,000	1,274,988	(1,130,012)
EGSI-TX	7,854,000	6,269,547	(1,584,453)	12,617,974	12,617,974	-	20,471,974	18,887,921	(1,584,053)
Corp. Bus Svcs (CBS)									
Finance & IT	-	-	-	40,000	40,000	-	40,000	40,000	-
Federal	2,760,000	258,726	(2,501,274)	2,549,997	2,549,997	-	2,549,997	2,549,997	-
System	200,000	-	(200,000)	400,000	400,000	-	3,160,000	689,726	(2,501,274)
Fiscal Ops	150,000	-	(150,000)	961,507	350,000	(611,507)	741,507	350,000	(391,507)
Legal	700,000	-	(700,000)	8,060,000	8,348,062	288,062	8,060,000	8,388,062	328,062
Restructuring	145,062	8,886,064	8,741,002	-	-	-	145,062	8,886,064	8,741,002
Distribution - W/P	2,756,194	2,353,062	(403,132)	1,334,917	1,334,917	-	4,091,111	3,887,879	(203,232)
Mkt Mechanics	-	715,134	715,134	589,868	589,868	-	589,868	1,285,002	695,134
DE R Integration (202)	-	965,017	965,017	5,308,565	5,308,565	-	5,308,565	6,273,562	965,017
TTC Integration (NB/PI) Office	3,004,111	3,313,432	309,321	-	-	-	3,004,111	3,313,432	309,321
Administration									
184	2,435,915	2,683,529	247,614	2,295,948	2,295,948	-	4,731,763	4,979,477	247,714
219	1,812,169	800,888	(1,011,281)	5,804,587	5,804,587	-	7,616,775	8,405,473	788,698
221	-	116,193	116,193	-	-	-	-	116,193	116,193
209	761,205	722,018	(39,187)	1,071,452	1,071,452	-	1,852,657	1,793,470	(59,187)
NC Subtotal	25,203,776	26,985,999	1,782,223	44,186,815	43,281,517	(905,298)	69,370,591	70,247,516	876,925

GENCO	500,000	673,511	173,511
TRANSFO	3,385,000	(83,587)	(3,468,587)
NC Subtotal	3,385,000	(83,587)	(3,468,587)

72,755,591 70,163,929 (2,591,662)
241,295,976 187,478,521 (53,817,455)

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CAPITAL		PE Feb 2001			Explanation
Function	Original Budget	PE	Variance		
Legislative Initiatives					
ELI & EGS-LA	-	-	-		
EMI	-	-	-		
ENOI	-	-	-		
State Implementation					
EAI	-	-	-		
EGS-TX	-	-	-		
Corp. Bus Svcs (CBS)	2,656,264	2,656,264	-		
Finance & IT	448,078	448,078	-		
Federal	-	-	-		
Fossil - EMS/EMO Project	2,401,130	2,042,888	(358,442)	Approx. 300K spent in 2000	
Fossil - Plant Ops Project	230,000	230,000	-		
Restructuring	-	-	-		
Retail	-	-	-		
Distribution - W/P	1,650,280	1,650,280	-		
Mkt Mechanics	8,090,904	12,281,185	4,170,281	Projected delays in 2000 as well as increase in contract charges due to finalization of mkt rules and external testing in 2001 are the reasons for this variance.	
D&R Integration (202)	2,575,548	2,575,548	-		
Administration	-	-	-		
184	-	-	-		
219	-	-	-		
227	-	-	-		
209	-	-	-		
CAP Subtotal	19,050,204	21,862,043	3,811,839		
TRANSCO					
Legal (TRANSCO-related \$)	85,693,629	85,693,629	-		
	5,540,000	4,024,489	(1,515,511)		
CAP Subtotal	71,233,629	69,718,118	(1,515,511)		
GENCO					
	44,374,000	44,374,000	-		
CAP Total (excl. GENCO)	86,283,833	91,580,161	2,296,328		

NON-CAPITAL		PE Feb 2001		
Function	Original Budget	PE	Variance	Explanation
Legislative Initiatives				
ELI & EGSIIA	763,000	1,286,247	503,247	Variance driven by unbudgeted projects (ELI Sys Agree Mod-\$197,662) and EGSIIA Sys Agree Mod-\$155,585
EMI	570,000	175,000	(395,000)	Budget includes 500K of public relations expense that will likely not be spent
ENOI	644,000	644,000	-	
State Implementation				
EAI	1,525,000	424,900	(1,100,100)	Moved from TTC to Project ZZ580A to prepare for possible general rate case filing in October: 870K from consumer ed. And 425K from stranded costs
EGSI-TX	12,617,974	12,617,974	-	
Corp. Bus Svcs (CBS)	40,000	40,000	-	
Finance & IT	2,549,997	2,549,997	-	
Federal	400,000	400,000	-	
Fossil - EMS/EMO Project	541,507	300,000	(241,507)	O&M costs will not be incurred until the asset is placed in service
Fossil - Plant Ops Project	50,000	50,000	-	Added more internal costs to PE (salaries, emp ext.) who reducing outside council fees budgeted proportionately. Will wait until later in the year to see how external costs compare to internal.
Legal	8,060,000	8,368,062	328,062	
Retail	1,334,917	1,334,917	-	
Distribution - W/P	569,868	569,868	-	
Mkt Mechanics	5,308,565	5,308,565	-	
D & R Integration (202)				
Administration				
184	2,295,948	2,295,948	-	
219	5,804,587	5,804,587	-	
221				
209	1,071,452	1,071,452	-	
NC Subtotal	44,166,815	43,261,517	(905,298)	
TRANSO	576,000	576,000	-	
GENCO				
NC Subtotal	576,000	576,000	-	
NC Total (excl. GENCO)	44,742,815	43,837,517	(905,298)	
Grand Total (excl. GENCO)	134,028,648	135,417,878	1,389,230	

CAPITAL					YTD Feb 2001	
Function	Original Budget	Actuals	Variance	Explanation		
Legislative Initiatives ELI & EGSi-LA	-	-	-			
EMI	-	-	-			
ENOI	-	-	-			
State Implementation EAI	-	-	-			
EGSi-TX	-	-	-			
Corp. Bus Svcs (CBS)	442,711	-	(442,711)	Almost all variances are in Proj FINITC, and are caused by timing differences. In addition, some of these dollars in FINITC may be moved into the merger project.		
Finance & IT	74,346	56,696	(17,650)	Majority of variances are caused by timing differences.		
Federal	645,709	69,247	(576,462)	Approx. 300K spent in 2000		
Fossil - Plant Ops Project	-	-	-	No dollars due to cash flow scheduled to happen in last half of year. Jul - Dec.		
Restructuring	-	-	-			
Retail	275,047	-	(275,047)			
Mkt Mechanics	1,348,484	2,585,278	1,236,794	Projected delays in 2000 as well as increase in contract charges due to finalization of mkt rules and external testing in 2001 are the reasons for this variance.		
Administration	464,680	5,729	(458,951)			
184	-	10,165	10,165	Actual costs TRANSCO. Did not budget for TRANSCO in 2001.		
219	-	763	763	Salaries		
22T	-	587	587	No budget for 2001-salaries		
209	-	1,061	1,061	Salaries		
CAP Subtotal	3,250,987	2,729,526	(521,461)			
TRANSCO	10,948,938	846,301	(10,102,637)	Payment schedule for July and December		
Legal (TRANSCO-related \$)	923,333	65,896	(857,437)			
CAP Subtotal	11,872,272	911,967	(10,960,305)			
	7,395,667	-	(7,395,667)			
CAP Total (excl. GENCO)	15,123,258	3,641,493	(11,481,765)			

NON-CAPITAL					YTD Feb 2001	
Function	Original Budget	Actuals	Variance	Explanation		
Legislative Initiatives						
ELI & EGS-LA	130,500	590,694	430,194	Variance driven by unbudgeted projects (ELI Sys Agree Mod-\$197,862) and EGS!		
EMI	95,000	6,000	(89,000)	La Sys Agree Mod-\$155,565		
ENOI	107,333	-	(107,333)	Budget includes 500K of public relations expertise that will likely not be spent		
State Implementation						
EAI	287,900	-	(287,900)	Retail open access delayed until 10/1/03		
EGS-TX	1,698,400	1,319,634	(376,766)			
Corp. Bus Svcs (CBS)	6,667	561	(6,106)	Majority of variances are caused by timing differences.		
Finance & IT	425,000	5,843	(419,157)	Majority of variances are caused by timing differences.		
Fossil - EMS/EMO Project	66,667	-	(66,667)			
Fossil - Plant Ops Project	80,826	-	(80,826)	OSM costs will not be incurred until the asset is placed in service		
Legal	-	2,135	2,135	No dollars due to cash flow scheduled to happen in last half of year. Jul - Dec.		
Retail	1,508,972	663,498	(845,473)	Underbudgeted in outside legal fees by (\$875) offset slightly by higher than expected internal costs, \$29M.		
MEC Mechanics	222,486	-	(222,486)			
OS R Integration (202)	94,978	10,226	(84,750)			
Administration	669,466	608,069	(60,797)			
194	170,798	191,332	20,534			
219	954,888	90,068	(864,822)			
221	-	72,660	72,660	No budget for 2001		
209	169,938	53,035	(116,903)			
NC Subtotal	6,887,538	3,584,378	(3,303,162)			
TRANSOCO	86,000	9,199	(86,801)	Expect to have minimal expense charges		
GENCO						
NC Total (excl. GENCO)	6,983,538	3,593,575	(3,389,963)			
GRAND TOTAL (excl. GENCO)	22,106,797	7,235,068	(14,871,729)			

Updated TTC Budget

CAPITAL	2000			2001			2002			Total Project		
	Function	Original Budget	Actuals	Variance (Rev)/Unrev	Original Budget	Actuals	Variance (Rev)/Unrev	Original Budget	Projected	'00 Bud + '01 Bud + '02 Bud	'00-01 Actuals + '02 Proj.	Variance (Rev)/Unrev
Legislative Initiatives EU & EGSLA EMI ENO		-	5,664	5,664	-	161,046	161,046	-	-	-	166,710	166,710
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
State Implementation EAI EGSL-TX		-	7,086	7,086	-	-	-	-	-	-	7,086	7,086
		-	4,414	4,414	-	-	-	-	-	-	4,414	4,414
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
Corp. Bus Svcs (CBS) Finance & IT Federal System		-	-	-	600,000	17,942	(582,058)	1,951,000	-	2,551,000	17,942	(2,533,058)
		-	-	-	2,502,342	551,386	(1,950,956)	281,000	538,842	2,783,342	1,090,226	(1,693,116)
		-	-	-	-	-	-	-	-	-	1,157,443	1,157,443
		-	-	-	-	-	-	-	-	200,000	-	(200,000)
Facilities Development & EMS System Restructuring (2AS, 203) Retail (286) Distribution - W/P (289) Mkt Mechanics (2AS, 203, 289) D&R Integration (202)		200,000	1,157,443	1,157,443	2,831,130	2,396,843	(234,287)	478,000	200,000	4,009,130	3,855,285	(153,945)
		500,000	1,375,934	875,934	-	-	-	-	-	500,000	1,375,934	875,934
		3,886,500	718,886	(3,167,614)	-	-	-	-	-	3,886,500	-	(3,886,500)
		21,910,052	4,435,915	(17,474,137)	507,770	542,131	34,361	16,371,187	5,025,320	38,795,009	6,896,537	(31,908,472)
Administration 104 210 227 209		-	-	-	8,090,504	27,868,057	19,777,553	1,818,707	12,206,859	38,910,811	44,510,831	5,600,020
		-	-	-	2,575,546	3,115,096	539,547	-	650,000	2,575,546	3,907,162	1,331,614
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
CAP Subtotal		58,402,552	9,270,480	(47,132,072)	18,907,894	35,816,020	18,908,326	20,900,894	19,221,221	94,211,140	64,307,721	(29,903,419)

GENCO/EMO (Systems All Yrs)		-	-	-	44,374,000	3,427,953	(40,946,047)	-	1,250,000	-	4,677,953	(39,696,047)
Local (TRANSCO-related & TRANSCO)		-	521,227	521,227	5,540,000	2,913,480	(2,626,520)	4,530,000	-	10,070,000	3,434,707	(6,635,293)
		22,854,000	15,942,724	(6,911,276)	65,678,725	17,226,383	(48,452,342)	20,900,000	49,308,889	109,432,725	82,479,776	(26,952,949)
CAP Subtotal		22,854,000	16,463,951	(6,390,049)	71,218,725	20,141,843	(51,076,882)	25,430,000	49,308,889	119,502,725	85,914,483	(33,588,242)
CAP Total (incl. GENCO)		79,256,552	25,734,431	(53,522,121)	132,500,419	59,385,816	(73,114,603)	46,330,894	69,779,910	256,087,865	154,900,157	(101,187,708)

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Updated TTC Budget

NON-CAPITAL	2000			2001			2002			Total Project		
	Original Budget	Actuals	Variance (Rev)/unrev	Original Budget	Actuals	Variance (Rev)/unrev	Original Budget	Projected		'00 Bud + '01 Bud + '02 Bud	'02 Proj.	Variance (Rev)/unrev
Legislative Initiatives ELI & EGSI-LA	1,123,000	1,082,888	(40,102)	933,000	1,833,930	900,930	783,000	-	-	2,838,000	2,918,828	77,828
EMI	272,200	154,967	(117,233)	570,000	6,000	(564,000)	-	-	-	1,412,200	160,967	(1,251,233)
ENOI	330,000	14,418	(315,582)	644,000	-	(644,000)	644,000	-	-	1,818,000	14,418	(1,603,582)
State Implementation												
EA	880,000	850,088	(29,912)	1,525,000	-	(1,525,000)	210,000	-	-	2,815,000	850,088	(1,764,912)
EGSI-TX	7,864,000	6,269,547	(1,594,453)	13,518,174	10,519,975	(2,998,199)	11,327,488	2,300,000	-	32,798,662	18,189,522	(13,810,140)
Corp. Bus Svcs (CBS)												
Finance & IT	-	-	-	40,000	-	(40,000)	40,000	-	-	80,000	-	(80,000)
Federal	2,760,000	258,726	(2,501,274)	2,549,987	187,913	(2,362,074)	2,520,000	88,809	-	5,069,987	258,722	(4,813,275)
System	200,000	-	(200,000)	400,000	-	(400,000)	412,000	-	-	3,572,000	258,726	(3,313,274)
Fossil Ops-maintenance & EMS	150,000	-	(150,000)	591,507	932	(590,575)	2,735,000	71,265	-	200,000	-	(200,000)
Legal	700,000	403,982	(296,018)	7,910,000	4,737,981	(3,172,019)	6,350,000	3,050,000	-	3,476,507	72,187	(3,404,310)
Restructuring	-	-	-	-	-	-	-	-	-	14,268,000	8,191,973	(6,066,027)
Retail	145,062	6,886,084	6,741,022	-	-	-	-	-	-	700,000	-	(700,000)
Distribution - W/P	2,756,194	2,353,062	(403,132)	1,671,017	921,324	(749,693)	-	183,382	-	145,062	6,886,084	6,741,022
Light Mechanics	-	715,134	715,134	569,868	450,296	(119,572)	569,868	581,400	-	4,427,211	3,437,788	(889,423)
DA R Integration (202)	-	985,017	985,017	5,308,565	2,654,000	(2,654,565)	4,510,766	871,143	-	1,139,736	1,746,783	607,047
TTC Integration (NS/PJ Office)	3,004,111	3,313,432	309,321	-	-	-	-	-	-	9,819,331	4,490,190	(5,329,141)
Administration										3,004,111	3,313,432	309,321
184	2,435,815	2,853,529	247,714	2,285,948	744,452	(1,541,496)	2,555,787	-	-	7,287,550	3,427,851	(3,859,699)
219	1,812,168	800,886	(1,011,282)	5,804,587	4,381,493	(1,423,094)	5,900,000	2,638,224	-	13,518,776	7,800,603	(5,916,173)
221	-	116,193	116,193	-	433,346	433,346	-	823,228	-	-	1,374,768	1,374,768
206	781,205	722,016	(59,189)	1,071,452	887,835	(183,617)	1,071,452	-	-	2,924,109	1,409,653	(1,514,456)
NC Subtotal	25,203,776	27,389,991	2,186,215	45,503,115	27,841,272	(17,661,843)	46,199,361	10,587,451	-	110,906,252	65,598,714	(45,307,538)
GENCO	500,000	673,511	173,511	-	1,034,028	1,034,028	-	-	-	500,000	1,707,540	1,207,540
TRANSCO	2,809,000	(659,587)	(3,468,587)	576,000	77,535	(498,465)	31,800,000	1,985,546	-	35,215,000	1,403,494	(33,811,506)
NC Subtotal	2,809,000	(659,587)	(3,468,587)	576,000	77,535	(498,465)	31,800,000	1,985,546	-	35,215,000	1,403,494	(33,811,506)
NC Total (Incl. GENCO)	28,512,776	27,403,915	(1,108,861)	46,079,115	28,752,836	(17,326,279)	72,028,361	12,552,997	-	146,821,252	68,706,748	(77,911,504)
GRAND TTL (Incl. GENCO)	107,769,328	53,138,346	(54,630,982)	178,578,534	89,138,852	(90,440,682)	118,360,235	82,332,907	-	404,708,117	223,808,905	(181,099,212)

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CAPITAL					PE Nov 2001	
Function	Original Budget	PE	Variance	Explanation		
Legislative Initiatives ELI & EGSI-LA EMI ENOI	-	136,424	136,424	Transco-related costs		
State Implementation EAI EGSI-TX	-	-	-			
Corp. Bus Svcs (CBS)	600,000	194,044	(405,956)	Removed forecasted amts from the TTC PE as req'd by R Strawn dated 6/7/01		
Finance & IT Federal	2,502,342	666,772	(1,835,570)	Removed forecasted amts from the TTC PE as req'd by R Strawn dated 6/7/01		
Fossil - EMS/EMO Project	2,401,130	2,042,688	(358,442)	Approx. 300K spent in 2000 and timing of invoices in 2001		
Fossil - Plant Ops Project	230,000	-	(230,000)	Deferred due to delay in deregulation		
Retail Distribution Dist. Decision Team	-	552,770	552,770			
Metering	140,000	-	(140,000)	Dollars will be use for non-TTC items-60K for MV 90 limit and communication infrastructure (dist needs) and 80K for off-line interface		
Mkt Mechanics O&R Integration (202) Administration 184 219 221 209	8,090,904 2,575,548 - - - -	28,353,369 3,083,864 257,711 800,000 5,000 5,000	20,292,465 518,316 257,711 800,000 5,000 5,000	Project delays in 2001, inc in contract chgs due to complexity & extent of work w/Enterprise Application Interface brokering software greater than originally planned, FIT allocation not originally budgeted, SAIC target margin adj, ba, & CPI not budgeted, ICF contract increases. \$2.5 MM of PEIs attributed to EAI costs which were allocated to project F14001 but pd out of MM response. org shift from NC		
CAP Subtotal	16,907,684	36,140,642	19,232,948			
TRANSCO Legal (TRANSCO-related \$) CAP Subtotal	65,678,725 5,540,000 71,218,725	16,980,000 5,540,000 22,500,000	(48,718,725) - (48,718,725)	Due to delay imposed by FERC, spending has slowed down considerably. Spending is expected to pick up once final FERC orders are granted.		
GENCO	44,374,000	3,000,000	(41,374,000)			
CAP Total	132,500,419	61,640,642	(70,859,777)			

NON-CAPITAL		PE Nov 2001		
Function	Original Budget	PE	Variance	Explanation
Legislative Initiatives				
ELI & EGSI-LA	833,000	2,372,800	1,439,800	Variance driven by unbudgeted projects ELI and EGSI-LA Sys Agree Mod. These are pass thru costs from the Commission's staff
EMI	570,000	175,000	(395,000)	Budget includes 500K of public relations expense that will likely not be spent
ENOI	644,000	-	(644,000)	No TTC spending planned for 2001
State Implementation				
EAI	1,525,000	-	(1,525,000)	\$250K of TTC incremental dollars will be used for non-TTC expenses (to handle prework on a possible general rate case to be filed 1st qtr 2002) and releasing \$1,275,000 TTC originally-budgeted dollars
EGSI-TX	13,618,174	11,618,174	(2,000,000)	reduced CTC
Corp. Bus Svcs (CBS)	40,000	-	(40,000)	Removed forecasted amts from the TTC PE as req'd by R Strawn dated 6/7/01
Finance & IT	2,548,997	276,727	(2,272,270)	OGM costs will not be incurred until the asset is placed in service
Federal	400,000	-	(400,000)	Deferred due to delay in deregulation
Fossil - EMS/SEMO Project	541,507	-	(541,507)	Reduced TTC costs by 3.6 MM at the request of T Bunting 8/21/01 and 7/25/01. PE rose fr. \$4.1MM to \$4.7MM due to Stadden bill (\$600K) in Oct.
Fossil - Plant Ops Project	50,000	932	(49,068)	Left \$500K in PE for Sys Agree for 1201 (per Reg Group)
Legal	7,910,000	4,744,045	(3,165,955)	Received \$109K in a target transfer. Adj budget = 1,305,494. Did not receive transfer from Retail and In-house. 2 FTE's fully funded-\$265K. dollars will be used for deep cleaning (non-TTC effort)
Retail				
Distribution				
Dist Decision Team	1,200,137	1,137,630	(62,507)	SAUC incentive chgs \$241K assoc. w/capital prj converted to capital codes. 1.2mm shifted to CAP; 900k reduction
Metering	470,880	100,000	(370,880)	
Mkt Mechanics	569,868	566,868	(3,000)	
DA R Integration (202)	5,308,565	2,775,432	(2,533,133)	
Administration				
194	2,285,945	720,000	(1,575,945)	reduced CTC by 1 MM; covering 22T, and capital costs
219	5,804,537	4,500,000	(1,304,537)	no budget existed
22T	-	440,000	440,000	reduced CTC
209	1,071,452	700,000	(371,452)	
NC Subtotal	45,503,115	30,130,808	(15,372,307)	
TRANSCO	576,000	500,000	(76,000)	Due to uncertainties surrounding Transco, imposed by FERC, Transco may incur expenses that may have otherwise been capitalized.
GENCO	-	709,246	709,246	did not budget any dollars
NC Subtotal	576,000	1,209,246	633,246	
NC Total	46,079,115	31,339,854	(14,739,261)	
Grand Total	178,579,534	92,980,496	(85,599,038)	

CAPITAL					YTD Dec 2001	
Function	Original Budget	Actuals	Variance	Explanation		
Legislative Initiatives						
ELI & EGSLA	-	161,046	161,046	Transco-related costs		
EMI	-	-	-			
ENOI	-	-	-			
State Implementation						
EAI	-	-	-			
EGSL-TX	-	-	-			
Corp. Bus Svcs (CBS)	600,000	17,942	(582,058)	Removed forecasted costs from the TTC PE as req'd by R. Strawn dated 6/7/01		
Finance & IT	2,502,342	551,386	(1,950,956)	Removed forecasted costs from the TTC PE as req'd by R. Strawn dated 6/7/01		
Federal	-	-	-			
Fossil - EMS/EMO Project	2,401,130	2,386,943	(14,187)			
Fossil - Plant Ops Project	230,000	-	(230,000)	Deferred due to delay in deregulation		
Retail	-	-	-			
Distribution	-	-	-			
Dist. Decision Team	367,770	542,131	174,361	Invoices-Accenture LLP. Agreed to pay for work regarding work arounds		
Metering	140,000	-	(140,000)	No capital will be spent for TTC		
Market Mechanics	8,060,504	27,868,057	19,777,153	Project delays in 2000, inc in contract chgs due to complexity & extent of work		
				weEnterprise Application Interface brokering software greater than originally planned.		
				PIT allocation not originally budgeted, SAIC target margin adjts, hrs. & OPI not		
				budgeted, ICF contract increases, \$2.5 MM is attributed to EAI costs which were		
				allocated to project F40001 but pd out of MM response. org budget. \$388K of SAIC		
				chgs inadvertently charged to Retail Org ACS., and included in this td		
OGAR Integration (202)	2,575,548	3,115,085	539,547	Capitalization of systems integration costs that had previously been expensed.		
Administration						
184	-	225,947	225,947	Actual costs TRANSOCO. Did not budget for TRANSOCO in 2001.		
219	-	920,871	920,871	Salaries and Northridge		
221	-	8,738	8,738	No budget for 2001-salaries		
219	-	7,988	7,988	Salaries		
CAP Subtotal	16,907,694	35,816,020	18,908,326			
TRANSOCO	65,878,729	17,228,353	(48,650,386)			
Legal (TRANSOCO-related \$)	5,540,000	2,813,480	(2,726,520)			
CAP Subtotal	71,218,729	20,141,843	(51,076,886)			
GENCO	44,374,000	3,427,859	(40,946,047)			
CAP Total	132,500,423	56,385,816	(76,114,607)			

Due to the delay imposed by FERC, spending has slowed down considerably. Spending is expected to pick up once final FERC orders are granted.

NON-CAPITAL		YTD Dec 2001		
Function	Original Budget	Actuals	Variance	Explanation
Legislative Initiatives				
ELI & EGS-LA	933,000	1,933,900	900,900	Variances driven by unbudgeted projects ELI and EGS-LA Sys Agree Mod. These are pass thru costs from the Commission's staff.
EMI	570,000	6,000	(564,000)	Budget includes 500K of public relations expense that will likely not be spent.
ENCI	644,000	-	(644,000)	
State Implementation				
EAI	1,525,000	-	(1,525,000)	Retail open access delayed until 10/1/03
EGSI-TX	13,618,174	10,815,976	(2,802,198)	
Corp. Bus Svcs (CBS)	40,000	-	(40,000)	Removed forecasted amts from the TTC PE as req'd by R Strawn dated 6/7/01
Finance & IT	2,549,987	187,913	(2,362,074)	
Federal	400,000	-	(400,000)	OLM costs will not be incurred until the asset is placed in service
Fossil - EMS/EMO Project	541,507	-	(541,507)	Deferred due to delay in deregulation
Fossil - Plant Ops Project	50,000	932	(49,068)	Lower than budgeted outside legal bills. Transition implementation schedule halted
Legal	7,910,000	4,737,981	(3,172,019)	In some states, postponed in others, thus legal budget not all spent.
Retail	-	-	-	
Distribution				
Dist Decision Team	1,200,137	830,121	(370,016)	Capital Consulting will not be spent this year.
Metering	470,880	91,203	(379,677)	dollars will be used for data cleansing (non-TTC effort)
Market Mechanics	569,868	450,259	(119,609)	EM costs (\$359K) and payroll
OA, R Integration (202)	5,308,565	2,854,030	(2,454,535)	Capitalized systems integration costs, and reduced consultants spending
Administration				
184	2,295,946	744,432	(1,551,514)	variance due to actuals for TRANSCO capital and a deferral in EAI TTC
216	5,804,587	4,361,493	(1,443,094)	scheduled activities.
227	-	435,348	435,348	reduced CTC by 1 MM, covering 227, and capital costs
208	1,071,452	687,635	(383,817)	No budget for 2001
NC Subtotal	45,503,113	27,641,272	(17,861,841)	
TRANSCO	576,000	77,535	(498,465)	projected exps. Due to uncertainty, some exps may not be capital.
GENCO	-	1,034,029	1,034,029	Did not budget for project
NC Total	46,079,113	28,752,836	(17,326,277)	
GRAND TOTAL	176,579,536	88,136,652	(88,442,884)	

Updated TTC Budget

CAPITAL	2000			Variance (Rev/Jun/rev)	2001			Variance (Rev/Jun/rev)	2002			Variance (Rev/Jun/rev)	Total Project			Variance (Rev/Jun/rev)
	Function	Original Budget	Actuals		Original Budget	Actuals	Original Budget		YTD Actuals	Original Budget	Actuals		Original Budget	Actuals		
Legislative Initiatives ELI & EGSLA EMI ENCI		-	5,664	5,664	161,046	-	161,046	161,046	-	-	-	-	166,710	-	166,710	166,710
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State Implementation EAI EGS-TX		-	7,096	7,096	-	-	-	-	-	-	-	-	7,096	-	7,096	7,096
		-	4,414	4,414	-	-	-	-	-	-	-	-	4,414	-	4,414	4,414
Corp. Bus Svcs (CBS) Finance & IT Federal System		-	-	-	800,000	17,942	(562,056)	-	-	-	-	-	600,000	17,942	(562,056)	(562,056)
		-	-	-	2,502,342	551,366	(1,950,966)	-	-	-	-	-	3,041,184	582,533	(2,458,551)	(2,458,551)
		-	-	-	-	-	-	-	-	-	-	-	-	1,157,443	1,157,443	1,157,443
		200,000	1,157,443	1,157,443	-	-	-	-	536,842	31,247	(507,595)	-	200,000	-	200,000	(200,000)
Financial Operations & EMS Restructuring (2A8, 209) Rearr (239) Distribution - WIP (239)		-	-	-	2,531,130	2,396,843	(234,287)	-	-	-	-	-	3,531,130	3,655,285	124,155	124,155
		-	-	-	-	-	-	-	-	-	-	-	500,000	1,375,934	875,934	875,934
		3,896,500	718,686	(3,177,814)	-	-	-	-	-	-	-	-	3,886,500	3,886,500	-	(3,886,500)
		21,916,052	4,435,915	(17,480,137)	507,770	542,131	34,361	-	2,258,355	44,421	(2,213,934)	24,862,177	1,305,438	24,862,177	(23,556,739)	(23,556,739)
Mkt Mechanism (2A8, 209, 289) D&R Integration (202) Administration 164 219 221 209		29,000,000	4,435,915	(24,564,085)	8,090,904	27,868,057	19,777,153	-	15,347,035	576,005	(14,771,030)	52,437,939	32,879,877	52,437,939	(19,557,962)	(19,557,962)
		-	142,067	142,067	2,575,548	3,115,085	539,547	-	650,000	10,343	(639,657)	3,225,548	3,267,595	3,225,548	41,957	41,957
		-	-	-	-	225,947	225,947	-	-	8,381	8,381	-	-	-	234,328	234,328
		-	35,708	35,708	-	620,871	920,871	-	-	305	305	-	-	-	956,884	956,884
CAP Subtotal		-	24,640	24,640	-	8,736	8,736	-	-	526	526	-	-	-	33,902	33,902
		-	104,271	104,271	-	7,966	7,966	-	-	-	-	-	112,237	-	112,237	112,237
		56,402,552	9,270,480	(47,132,072)	16,907,694	35,818,020	18,908,326	-	18,794,232	671,228	(18,123,094)	92,104,478	45,757,728	92,104,478	(46,346,750)	(46,346,750)

GENCO/ENVO (Systems, All Yrs)			44,374,000	3,427,953	(40,946,047)	-	-	-	-	-	45,824,000	3,427,953	(42,396,047)
Legal (TRANS/CO-related)			5,540,000	2,913,480	(2,626,520)	-	-	-	-	-	5,540,000	3,434,707	(2,105,293)
TRANS/CO			65,878,725	17,226,383	(48,652,342)	-	-	-	-	-	133,397,730	33,829,721	(99,568,009)
CAP Subtotal			71,218,725	20,141,843	(51,076,882)	-	-	-	-	-	138,937,730	37,263,428	(101,674,302)
CAP Total (incl. GENCO)			79,258,552	25,734,431	(53,524,121)	-	-	-	-	-	276,866,208	86,449,109	(190,417,099)

2002 updated budget v01_02R.xls

Updated TTC Budget

NON-CAPITAL	2000			2001			2002			Total Project		
	Original Budget	Actuals	Variance (Rev)/unrev	Original Budget	Actuals	Variance (Rev)/unrev	Original Budget	YTD Actuals	Variance (Rev)/unrev	Original Budget	Actuals	Variance (Rev)/unrev
Legislative Initiatives												
ELI & EGSI-LA	1,123,000	1,082,888	(40,112)	933,000	1,833,930	900,930				2,050,000	2,916,828	866,828
EMI	272,200	154,967	(117,233)	570,000	6,000	(564,000)				642,200	160,967	(881,233)
ENCI	330,000	14,418	(315,582)	644,000		(644,000)				974,000	14,418	(859,582)
State Implementation												
EAI	880,000	850,088	(29,912)	1,525,000		(1,525,000)				2,405,000	850,088	(1,554,912)
EGSI-TX	7,854,000	6,269,547	(1,584,453)	13,518,174	10,519,975	(2,998,199)	2,300,000		(2,300,000)	23,772,174	16,869,522	(6,902,652)
Corp. Bus Svcs (CBS)												
Finance & IT				40,000		(40,000)	68,808	7,308	(61,503)	40,000		(40,000)
System	2,760,000	268,728	(2,491,272)	2,549,897	187,913	(2,361,984)				2,818,806	195,219	(2,623,587)
Federal	200,000		(200,000)	400,000		(400,000)				3,160,000	258,728	(2,901,272)
Fiscal Ops-expansion & EMS	150,000		(150,000)							200,000		(200,000)
Legal		403,982	403,982	591,507	932	(590,575)	71,265		(71,265)	812,772	932	(811,840)
Restructuring	700,000		(700,000)	7,910,000	4,737,981	(3,172,019)	3,497,734	13,893	(3,483,841)	11,407,734	5,155,866	(6,251,868)
Retail										700,000		(700,000)
Distribution - WIP		6,886,084	6,886,084	1,871,017	921,324	(769,693)	230,988	27,880	(203,108)	148,062	8,886,084	6,741,022
Mkt Mechanics	145,062		(145,062)	569,868	450,259	(119,609)	581,400	23,583	(567,817)	4,838,198	3,302,266	(1,535,933)
DR R Integration (202)	2,736,194	715,134	(2,021,060)	5,306,565	2,854,030	(2,452,535)	871,143	42,621	(828,722)	1,151,268	1,188,986	37,718
TTC Integration (NB/Prj Office)										5,179,708	3,651,868	(1,527,840)
Administration	3,004,111	3,313,432	309,321							3,004,111	3,313,432	309,321
184												
219	2,435,815	2,683,529	247,714	2,298,948	744,482	(1,554,466)				4,731,763	3,427,981	(1,303,782)
227	1,812,189	600,866	(1,211,323)	5,804,587	4,351,483	(1,453,104)	2,635,224	89,091	(2,546,133)	10,235,000	5,051,470	(5,183,530)
209		118,183	118,183		435,348	435,348	823,226	22,316	(800,910)	823,226	573,859	(249,367)
	781,205	722,018	(59,187)	1,071,452	687,835	(383,617)				1,852,657	1,409,653	(443,004)
NC Subtotal	25,203,776	27,389,981	2,186,205	45,503,115	27,841,272	(17,661,843)	11,082,791	228,902	(10,853,889)	81,789,682	55,258,165	(26,531,517)
GENCO	500,000	673,511	173,511		1,034,029	1,034,029				1,455,125	1,742,818	287,693
TRANSPO	2,809,000	(859,587)	(3,668,587)	578,000	77,535	(496,465)	955,125	35,278	(919,847)			
NC Subtotal	2,809,000	(859,587)	(3,668,587)	578,000	77,535	(496,465)	1,865,546	11,773	(1,853,773)	5,370,546	(970,279)	(5,940,825)
NC Total (incl. GENCO)	28,512,776	27,403,915	(1,108,861)	46,079,115	28,752,836	(17,326,279)	14,023,462	273,953	(13,749,509)	88,815,383	56,430,704	(32,384,679)
GRAND TTL (incl. GENCO)	107,788,328	53,136,346	(54,651,982)	178,579,534	88,138,832	(90,440,702)	78,932,689	1,802,815	(77,129,874)	365,281,561	142,879,813	(222,401,748)

2002 updated budget v01_02R.xls

CAPITAL				YTD Jan 2002	
Function	Original Budget	Actuals	Variance	Explanation	
Legislative Initiatives ELI & EGS-LA	-	-	-		
EMI	-	-	-		
ENOI	-	-	-		
State Implementation EAI	-	-	-		
EGS-TX	-	-	-		
CFO	37,786	31,247	(6,539)		
Fossil - EMO Project	-	-	-		
Distribution	-	-	-		
Distr. Decision Team	42,256	8,208	(34,048)		
Sys Integration	132,558	10,898	(121,660)		
Sys Solutions	-	25,315	25,315		
See Item 00000, Rev Opri, Sep Item	-	-	-		
Market Mechanisms	1,284,515	578,005	(688,510)		
DAIR Integration (2002)	54,167	10,343	(43,824)		
Administration	-	-	-		
184	-	8,381	8,381		
219	-	305	305		
227	-	526	526		
209	-	-	-		
CAP Subtotal	1,531,282	671,228	(860,054)		
TRANSOCO	3,845,989	857,834	(2,988,355)		
CAP Subtotal	3,845,989	857,834	(2,988,355)		
GENCO	104,167	30,400	(73,767)		
CAP Total	5,281,438	1,359,262	(3,922,176)		

multiplied by 1000.

delay in timing of filing, and structure, and facilities costs.

NON-CAPITAL		YTD Jan 2002			Explanation
Function	Original Budget	Actuals	Variance		
Legislative Initiatives ELI & EGSH-LA EMI ENOI			-		
State Implementation EAI EGSH-TX	191,867	-	(191,867)		no charges processed in Jan, 2002
CFO	9,645	7,306	(2,339)		
Postal - EMO Project	5,321	-	(5,321)		
Legal	282,907	13,893	(279,014)		TX transition outside legal bills not processed in Jan.
Distribution	17,640	26,547	9,007		
Dist. Decision Team	-	-	-		
Sys Integration	-	-	-		
Sys Solutions	-	1,233	1,233		
Bus. Syst. C/Doc. Rev. C/pt. Sup. Sys	-	23,593	(24,597)		
Market Mechanisms	48,450	-	-		
D & R Integration (202)	70,825	42,821	(28,004)		Variance approx. \$25K (\$3K spent on non-TTC endeavors) and timing differences
Administration	-	-	-		
194	218,246	88,091	(129,155)		Variance approx. \$115K (\$14K spent on non-TTC endeavors) and timing difference
219	66,963	22,318	(44,665)		Variance approx. \$13K (\$31K spent on non-TTC endeavors) and timing difference
227	-	-	-		
209	-	-	-		
NC Subtotal	921,884	226,902	(694,782)		
TRANSCO	183,268	11,773	(151,485)		
GENCO	56,245	35,278	(22,967)		
NC Total	1,143,187	273,953	(869,234)		
GRAND TOTAL	6,424,825	1,633,215	(4,791,410)		

Input data in yellow
columns

CAPITAL		PE Jan 2002		
Function	Original Budget	PE	Variance	Explanation
Legislative Initiatives ELI & EGSI-LA	-	-	-	
EMI	-	-	-	
ENOI	-	-	-	
State Implementation EAI	-	-	-	
EGSI-TX	-	-	-	
CFO	538,842	538,842	-	
Fossil - EMO Project	-	-	-	
Distribution	538,890	538,890	-	
Diser Decision Team	1,721,465	1,721,465	-	
Sys Integration	-	25,315	25,315	
Sys Solutions	-	-	-	
Bus Dev, C224C, Rev Opys, Sup Dev	15,347,035	15,347,035	-	
Mkt Mechanics	650,000	650,000	-	
DAR Integration (202)	-	-	-	
Administration	-	-	-	
184	-	8,381	8,381	Transco related costs
219	-	305	305	Transco related costs
227	-	528	528	Transco related and prior costs
209	-	-	-	
CAP Subtotal	18,794,232	18,828,759	34,527	
TRANSOCO	44,865,005	44,865,005	-	
CAP Subtotal	44,865,005	44,865,005	-	
GENCO	1,250,000	1,250,000	-	
CAP Total	64,909,237	64,943,764	34,527	

NON-CAPITAL		PE Jan 2002		
Function	Original Budget	PE	Variance	Explanation
Legislative Initiatives ELI & EGSI-LA	-	-	-	
EMI	-	-	-	
ENOI	-	-	-	
State Implementation EAI	-	-	-	
EGSI-TX	2,300,000	2,300,000	-	
CFO	68,809	68,809	-	
Fossil - ENO Project	71,265	71,265	-	
Legal	3,497,734	3,222,314	(275,420)	AR transition delayed
Distribution	230,988	230,988	-	
Client Decision Team	-	-	-	
Sys Integration	-	-	-	
Sys Solutions	-	1,123	1,123	
Bus Sys, CISCAC, New Cyclic, Sup Bus	-	-	-	
Mkt Mechanics	581,400	585,476	14,076	Unbudgeted dollars in Don Pardo's area
DB R Integration (202)	871,143	871,143	-	
Administration	-	-	-	
184	2,638,224	2,637,919	(305)	to cover capital variance
219	823,228	822,702	(526)	to cover capital variance
227	-	-	-	
209	-	-	-	
NC Subtotal	11,082,791	10,821,739	(261,052)	
TRANSICO	1,985,546	1,985,546	-	
GENCO	955,125	955,855	730	
INC Subtotal	2,940,671	2,941,401	730	
NC Total	14,023,462	13,763,140	(260,322)	
Grand Total	78,532,698	78,708,904	(225,786)	

Updated TTC Budget

NON-CAPITAL	Function	2000			2001			2002			Total Project		
		Original Budget	Actuals	Variance (fav/unfav)	Original Budget	Actuals	Variance (fav/unfav)	Original Budget	YTD Actuals	Variance (fav/unfav)	Original Budget	Actuals	Variance (fav/unfav)
Legislative Initiative	ELI & EGS-ILA	1,123,000	1,082,858	(40,102)	933,000	1,833,930	900,930	-	-	-	2,055,000	2,918,926	860,826
	EM	272,200	154,987	(117,213)	570,000	6,000	(564,000)	-	-	-	842,200	160,967	(681,233)
	ENCI	300,000	14,416	(315,582)	644,000	-	(644,000)	-	-	-	974,000	14,416	(959,582)
	ENCI	-	-	-	-	-	-	-	-	-	-	-	-
State Implementation	EA	880,000	850,000	(29,912)	1,525,000	10,618,975	(1,525,000)	-	-	-	2,405,000	850,000	(1,554,912)
	EGS-TX	7,854,000	6,269,947	(1,584,053)	13,618,174	-	(13,618,174)	2,300,000	231,598	(2,068,402)	23,772,174	17,121,120	(6,651,054)
	EA	-	-	-	40,000	-	(40,000)	-	-	-	40,000	-	(40,000)
	EGS-TX	-	-	-	2,549,997	187,913	(2,362,084)	24,996	46,175	21,179	2,574,993	234,088	(2,340,905)
Corp. Bus Svcs (CBS)	Federal	2,780,000	258,726	(2,521,274)	400,000	-	(400,000)	-	-	-	3,180,000	258,726	(2,921,274)
	System	200,000	-	(200,000)	400,000	-	(400,000)	-	-	-	200,000	-	(200,000)
	Fossil Ops-expansion & EMS	150,000	-	(150,000)	591,507	932	(590,575)	-	-	-	741,507	932	(740,575)
	Legal	-	403,982	403,982	7,910,000	4,737,861	(3,172,139)	3,070,000	739,098	(2,330,902)	10,980,000	5,881,089	(5,098,911)
Retail	Real restructuring	700,000	-	(700,000)	-	-	-	-	-	-	700,000	-	(700,000)
	Distribution - W/P	145,002	6,866,064	6,721,022	1,671,017	921,324	(749,693)	4,224	50,822	46,598	145,002	6,866,064	6,721,022
	Mist Mechanics	2,756,194	2,353,062	(403,132)	569,865	450,259	(119,606)	591,400	607,830	16,430	4,431,435	3,325,208	(1,106,227)
	DA R Integration (202)	-	965,017	965,017	5,308,565	2,654,030	(2,654,535)	871,143	303,673	(567,570)	6,179,708	3,822,820	(2,356,888)
TTC Integration (HBP/Office)	Administration	3,004,111	3,313,432	309,321	-	-	-	-	-	-	3,004,111	3,313,432	309,321
	184	2,435,815	2,683,529	247,714	2,295,046	744,452	(1,550,594)	-	-	-	4,731,760	3,427,981	(1,303,779)
	219	1,812,189	600,685	(1,211,504)	5,804,587	4,381,483	(1,423,104)	2,838,224	374,339	(2,463,885)	10,255,000	5,356,718	(4,898,282)
	227	-	116,183	116,183	-	435,348	435,348	523,228	131,228	(392,002)	823,228	862,787	39,559
NC Subtotal	206	781,206	722,016	(59,190)	1,071,452	887,835	(183,617)	-	-	-	1,832,657	1,409,853	(422,804)
	NC Subtotal	25,203,776	27,399,991	2,196,215	45,503,115	27,841,272	(17,661,843)	10,313,218	2,484,448	(7,828,769)	81,020,106	57,515,712	(23,504,394)
GENCO	GENCO	500,000	673,511	173,511	-	1,034,029	1,034,029	-	-	-	500,000	1,707,540	1,207,540
	TRANSCO	2,800,000	(859,587)	(3,659,587)	576,000	77,535	(498,465)	1,985,546	868,135	(1,117,411)	5,370,546	287,083	(5,083,463)
	NC Subtotal	2,800,000	(859,587)	(3,659,587)	576,000	77,535	(498,465)	1,985,546	868,135	(1,117,411)	5,370,546	287,083	(5,083,463)
NC Total	NC Total	28,512,776	27,403,915	(1,108,861)	46,079,115	28,752,836	(17,326,279)	12,298,761	3,353,584	(8,945,177)	88,890,852	59,510,335	(29,380,517)
	GRAND TTL	107,769,328	83,138,346	(24,630,982)	178,579,534	85,139,652	(93,439,882)	76,811,891	23,880,254	(52,931,637)	382,860,453	164,937,252	(217,923,201)
	GRAND TTL w/o Transco	81,606,328	38,680,471	(42,925,857)	82,410,809	83,457,292	1,046,483	29,049,443	10,574,580	(18,374,863)	173,066,580	110,792,343	(62,274,237)

CAP - Transco, I. Randall, will have figures in two weeks.
 CAP - Met Mech, T. Manning, possibly 2/28/01 in Dist. WB advise in two weeks.
 CAP - DA R Integration, T. Roberts, will advise.
 NC - Legal, M. O'Leary, checking and will advise.
 NC - TX Regulatory, S. Howell/ Blakely.
 NC - GENCO, D. Edman, costs exist, but may not be incremental costs.

Reduced PE by \$20 MM, saving reduction, not cost-of-project reduction. These \$ will be moved to 2003.
 Reduced PE by \$4.8MM.
 Reduced PE by \$91K.
 Reduced PE by \$1.2MM.
 Holding to Budget. To date, no \$ spent.
 Cost are not incremental.

2002 updated budget v10_02R.xls

CAPITAL		YTD Oct 2002		
Function	Original Budget	Actuals	Variance	Explanation
Legislative Initiatives ELI & EGS-LA	-	-	-	
EMI	-	-	-	
ENOI	-	-	-	
State Implementation	-	-	-	
EAI	-	-	-	
EGSI-TX	-	-	-	
F & CS	431,345	288,280	(143,065)	
Fossil - EMO Project	-	-	-	
Distribution	-	-	-	
Distr Decision Team	287,166	59,048	(208,118)	
Sys Integration	1,434,560	817,161	(617,399)	
Sys Solutions	-	81,642	81,642	
Bus Syst. Control, New Opn. Exp. Syst.	-	-	-	
Market Mechanics	-	-	-	
Retail	12,713,002	3,850,537	(9,062,465)	
D&R Integration (202)	4,391,752	3,273,186	(1,118,566)	
Administration	541,667	198,591	(343,076)	
184	-	59,460	59,460	Transco related costs
219	-	2,054	2,054	Transco related costs
ZZT	-	172	172	Transco related costs
CAP Subtotal	19,779,492	8,190,131	(11,589,361)	
TRANSCO	37,156,092	12,116,539	(25,039,553)	delay in timing of filing, mid structure, and facilities costs.
CAP Subtotal	37,156,092	12,116,539	(25,039,553)	
GENCO	625,000	-	(625,000)	
CAP Total	57,560,594	20,306,670	(37,253,914)	
CAP Total w/o Transco/Genco	19,779,492	8,190,131	(11,589,361)	

NON-CAPITAL		YTD Oct 2002		
Function	Original Budget	Actuals	Variance	Explanation
Legislative Initiatives ELJ & EGSLA EMI ENOI				
State Implementation EAI				
EGSI-TX	1,916,887	231,998	(1,685,069)	underspending will be used for other TX Regulatory or ETX Inc initiatives throughout the yr resulting in PE being \$500K.
F & CS	20,830	46,175	25,345	
Fossil - EMO Project				
Legal	2,913,278	738,098	(2,174,180)	TX transition outside legal bills lower than expected and ROA in AR delayed.
Distribution				
Dist. Decision Team	2,112	34,321	32,209	
Site Integration				
Site Solutions		16,501	16,501	
Bus. Dev. Coord. New York, San Diego				
Market Mechanics	484,500	607,620	123,120	previously reported as a capital expenditure
Dist.				
Retail	742,775	303,573	(439,202)	Variance approx. -148K (\$291K spent on non-TTC endeavors)
D&R Integration (202)				
Administration				
164	1,977,002	374,339	(1,602,723)	Variance approx. -\$1.3M (\$257K spent on non-TTC endeavors)
219	615,802	131,228	(484,576)	Variance approx. -\$10K (\$475K spent on non-TTC endeavors) and timing difference
227				
NC Subtotal	8,673,024	2,484,449	(6,188,575)	
TRANSCO	1,647,683	869,135	(778,548)	
GENCO				
NC Total	10,320,707	3,353,584	(6,967,123)	
NC TTL w/o Transco/Genco	8,673,024	2,484,449	(6,188,575)	
GRAND TOTAL	87,881,291	23,660,254	(64,221,037)	
GRAND TTL w/o Transco/Genco	28,452,516	10,674,560	(17,777,956)	

Input data in yellow
columns

CAPITAL		PE Oct 2002		
Function	Original Budget	PE	Variance	Explanation
Legislative Initiatives	-	-	-	
ELI & EGS-LA	-	-	-	
EMI	-	-	-	
ENCI	-	-	-	
State Implementation	-	-	-	
EAI	-	-	-	
EGS-TX	-	-	-	
F & CS	538,402	418,496	(119,906)	reduced from \$449,208
Fossil - ENO Project	-	-	-	
Distribution	-	-	-	
Distr. Decision Team	538,890	187,364	(349,526)	
Sys Integration	1,721,465	650,000	(1,071,465)	
Sys Solutions	-	81,642	81,642	reduced from \$76,280
Bus Svcs, CISCAL, Rev Cycle, Rep Svcs	-	-	-	
Mkt Mechanics	-	-	-	
Distr.	10,019,369	4,257,271	(5,762,098)	decreased from \$4,837,090
Retail	5,270,102	5,352,116	82,014	increased from \$5,098,539
DATA Integration (202)	650,000	274,663	(375,335)	staff and consultant's reductions
Administration	-	-	-	
184	-	71,607	71,607	Transco related costs
219	-	3,600	3,600	Transco related costs
22T	-	2,000	2,000	Transco related costs
CAP Subtotal	18,736,228	11,298,761	(7,437,467)	
TRANSCO	44,328,602	15,675,000	(28,651,602)	Reduction from \$21,108,000. These \$ will be moved to 2003
GENCO	1,250,000	-	(1,250,000)	
CAP Total	64,312,830	28,973,761	(37,339,069)	
CAP Total w/o Transco/Genco	18,736,228	11,298,761	(7,437,467)	

NON-CAPITAL		PE Oct 2002		
Function	Original Budget	PE	Variance	Explanation
Legislative Initiatives	-	-	-	
ELJ & EGSI-LA	-	-	-	
EMI	-	-	-	
ENOI	-	-	-	
State Implementation	-	-	-	
EAI	2,300,000	500,000	(1,800,000)	\$500K for protocol development
EGSI-TX	-	-	-	
F & CS	24,986	50,341	25,345	
Fossil - ENO Project	-	-	-	
Legal	3,070,000	1,284,510	(1,785,390)	AR transition delayed (250K) and reductions in TX (\$1.5 MM)
Distribution	-	-	-	
Dist. Decision Team	4,224	34,321	30,097	
Sys Integration	-	-	-	
Sys Solutions	-	-	-	
Bus Sys. Decac. New Open Bus Sys	-	16,560	16,560	Increase from \$16,269
Mkt Mechanics	-	-	-	
Dist.	581,400	579,819	(1,581)	decreased from \$755,781
Retail	-	-	-	
DS R Integration (203)	871,143	418,524	(451,819)	staff and consultant reductions
Administration	-	-	-	
184	-	-	-	
219	2,638,224	1,406,824	(1,231,800)	reflects reduction in consultants exp. dollars to cover capital, and projected non-rtc PRL charges.
22T	823,228	321,228	(502,000)	reflects dollars to cover capital variance and projected (\$500K) of non-rtc related charges
NC Subtotal	10,313,215	4,613,027	(5,700,188)	
TRANSCO	1,965,546	1,965,546	-	
GENCO	-	-	-	
NC Subtotal	1,965,546	1,965,546	-	
NC Total	12,298,761	6,598,573	(5,700,188)	
NC TTL w/o Transco/Genco	10,313,215	4,613,027	(5,700,188)	
Grand Total	76,611,961	33,572,334	(43,039,257)	
GRAND TTL w/o Transco/Genco	29,049,443	15,911,788	(13,137,655)	

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Entergy Systemwide Guidelines for Identifying and Tracking Transition Costs

(Version 6 – dated 6/14/00)

Introduction

When a regulated utility moves toward a competitive market for the provision of a portion of its services, there are inevitably costs associated with making this transition. For most electric utilities, the largest component of these costs is the “strandable” or stranded costs associated with generation units. Another element of cost associated with making this move to a competitive market is the cost of implementing the restructuring often referred to as “transition costs”. In general terms, transition costs are those costs incurred to prepare a regulated utility for retail open access or the right of a retail customer to choose their supplier of electric energy. These costs can be for infrastructure, including items such as hardware and software as well as new metering equipment. Costs incurred to adhere to regulatory mandates, develop competitive strategies, or educate consumers are other examples of transition costs. Although all transition costs will be tracked, Entergy will only seek recovery of certain cost in a regulatory proceeding. Therefore, it is important that all employees identify and properly record expenditures that meet the definition of transition costs and follow the criteria established to determine whether transition costs qualify as recoverable. The purpose of these guidelines is to help employees and management do this in an efficient and effective manner.

Question One: Is your activity, project or work function a transition cost?

Again, the broad definition of transition costs is those costs incurred to prepare a regulated utility for retail open access. If you feel your activity, project or work function fits within this definition then the associated costs should be considered transition costs. If you are working on implementing retail open access in Arkansas or Texas, go to Appendix A or B to determine if your costs qualify for recovery. If you are unsure or have any questions, please call Theo Bunting in Corporate Reporting at (504) 576-2517 (8-576-2517).

Question Two: Is your activity, project or work function capital or expense?

As with any expenditure, transition costs should be categorized as capital or expense. Please refer to the Entergy Functional Capitalization Policy for guidance in this area. Concerning system modifications, unless the modification yields a significant improvement in design, results in enhanced performance or extends the life, the expenditure would be considered an expense. Please call Phil Gillam in Corporate Reporting at (504) 576-4563 (8-576-4563) if you are not familiar with the criteria used in determining if a cost should be capitalized.

For capital projects that benefit multiple legal entities (LEs), a separate Capital Expenditure Authorization project code (CEA) for ESI and each LE will be required. The CEA(s) will have to be established through the current process of obtaining a capital project code or capital work order. For capital projects that benefit one LE, a separate CEA owned by the benefiting LE and valid for ESI will be needed. Please contact ESI Accounting (help line 8-576-4895) if you are uncertain as to what that process entails.

Entergy Systemwide Guidelines for Identifying and Tracking Transition Costs

Question Three: How will transition costs be tracked?

Transition costs which are capital in nature will be tracked through the use of CEAs as described above. Project codes will be used to track expense items. Accounting has established an initial set of project codes to accumulate expenses based on the following groupings: Transition Implementation Management, Unbundling (tariffs, functions, billing), Stranded Cost (method, determination, securitization, recovery), TransCo Implementation, System Agreement Modification, Consumer Education, Rulemaking, Customer Interface Infrastructure, Market Power, and Competitive Strategy.

Project codes have been established for EAI and EGSI – Texas, specifically, as well as codes that will bill to multiple jurisdictions for common costs. **Whenever possible, transition costs should be directly assigned to the jurisdiction for which the costs were specifically incurred.** Similar activities should be charged to the same project code regardless of whether the charge originated at ESI or a LE. For example, if expense project code xxxxxx was established for EAI unbundling, any expenditure that meet the definition of transition cost and relate to EAI unbundling would be charged to project code xxxxxx, whether the expenditure originated at ESI or EAI. Please remember that project code is not a required field at the LE level. Thus, discipline needs to be encouraged to ensure we capture all transition costs.

Question Four: What project code should be used?

In Arkansas and Texas, the legislation enacting retail open access contains provisions that provide utilities the opportunity to recover approved transition costs. In both states, the legislation is specific as to which costs qualify as a transition cost. Costs will be evaluated against state specific criteria to determine if it qualifies as a recoverable transition cost. Different project codes will be used for transition costs that meet the state specific criteria for recovery and those that do not. **Attachments A (Arkansas) and B (Texas)** contain the state specific criteria that should be used to determine if a transition cost qualifies for recovery. **Please read the attachments carefully.** The conclusion drawn from them will determine the project code(s) that should be used to record transition costs.

Table 1 lists the initial project codes Accounting has established to charge transition costs incurred by or billable to EAI. **Table 2** lists the initial project codes Accounting has established to charge transition costs incurred by or billable to EGSI-Texas. **Table 3** lists the initial project codes established to charge transition costs billable to multiple jurisdictions. **Table 4** lists the initial codes established to charge transition costs for jurisdictions which do not have legislation in place requiring retail open access. The codes in **Tables 1, 2, 3 and 4** are only to be used for costs that are categorized as expense. Capital costs will be recorded in CEAs as discussed above in the response to **Question Two**. If an expenditure does not fit within the description of the codes included in **Table 1, Table 2, Table 3 or Table 4**, or you are unsure as to whether an expenditure meets the criteria, please call Theo Bunting in Corporate Reporting at (504) 576-2517 (8-576-2517). If additional codes are needed, you will be given assistance in establishing them.

Entergy Systemwide Guidelines for Identifying and Tracking Transition Costs

Question Five: Are there specific activity codes that should be used?

No specific activity codes have been setup, however an activity code is still required.

A flowchart depicting the process of recording transition costs is attached. The flowchart is intended to provide a high level pictorial for quick reference.

Should you have any questions regarding the identification and recording of transition costs, please call Theo Bunting in Corporate Reporting at (504) 576-2517 (8-576-2517).

Attachment A

**Arkansas Guideline for Determination of
Recoverable Transition Costs**

The Electric Consumer Choice Act of 1999 (Act 1556) provides utilities the opportunity to recover Arkansas Public Service Commission ("APSC" or "Commission") approved transition cost through a customer transition charge (CTC). These costs can begin to be identified after the effective date of Act 1556 that has been determined to be July 30, 1999. The cost can be collected through 24 months following retail open access. After being filed and approved by the Commission, the customer transition charge will be collected as part of the customer bill starting at retail open access and continuing for 36 months following retail open access.

This Appendix will provide screening criteria and procedures for identifying and recording transition costs associated with the implementation of retail open access in Arkansas. While all costs associated with the implementation of Act 1556 need to be documented, **only incremental costs** that meet the transition cost recovery criteria **will be considered for cost recovery**. Recoverable transition costs in the context of this Guideline are those costs that meet the criteria for recovery in Act 1556 and the approved APSC Transition Cost Guidelines, and will be eligible for requested recovery through a transition cost recovery proceeding. Incremental costs are those that will be incurred that are NOT included in base rates. Therefore, any recurring costs that were included in the 1995 compliance cost of service study – upon which base rates were determined, will be considered base costs, and not recoverable as transition costs. Charges originating at ESI related to Act 1556 implementation that meet the transition cost criteria are also considered incremental costs only if the costs were not captured in the 1995 compliance cost of service study. Project codes are available to identify costs as base or incremental (see **Table 1** and **Table 3**). Examples of base and incremental costs are included later in this guideline.

All Entergy employees and contractors are expected to use the correct project and activity codes for the competition implementation project activity in which costs are incurred.

Section 1 – Definitions

Arkansas Code Title 23, Chapter 19 (Act 1556) effective 7-30-99
§23-19-102. **Selected Applicable Definitions.**

(5) 'Commission' means the Arkansas Public Service Commission or any successor agency unless otherwise specifically designated.

(7) 'Customer Transition Charge,' sometimes referred to as 'non-bypassable charge,' means a charge applicable to all retail customers of an electric utility served at either the distribution or transmission level within the electric utility's distribution service area as it existed prior to the effective date of this chapter.

(31) 'Retail open access' means the obligation of an electric utility to allow retail customers to choose their supplier of electric energy.

(37) 'Transition Costs' mean those costs, investments or unfunded mandates, either recurring or non-recurring, incurred by an electric utility or municipal electric utility after

Attachment A

**Arkansas Guideline for Determination of
Recoverable Transition Costs**

the effective date of this chapter, that are found to be necessary to carry out the electric utility's or municipal electric utility's responsibilities associated with the transition to, or the implementation of, retail open access, or are mandated by statute or regulation; and are not expected to be recoverable in a competitive retail market. Under no circumstances shall transition costs include retirement of severance programs, marketing or promotional activities, or professional or advisory services or legal costs associated with any competitive strategy. Additionally, no electric utility shall recover transition costs unless approved by the commission pursuant to subdivision (37) and §23-19-304. Transition Cost shall not include cost includable in the determination of stranded costs.

Section 2 – Criteria for Transition Cost Recovery

If the answer to **any** of the following questions is **No (N)**, then the cost does **not** qualify as a transition cost.

Y N

- ☐ ☐ 1. Is the cost incurred required to carry out EAI's transition to, or implementation of retail open access, **OR** mandated by statute or regulation?

If Yes, please explain the type of costs to be incurred: _____

- ☐ ☐ 2. Is the cost incurred directly associated with retail open access, i.e. the activity or initiative incurring the cost solely undertaken to implement retail open access?

If Yes (Y), please explain the activity/initiative which will incur the costs:

- ☐ ☐ 3. Is the level of expenditure prudent and reasonable?

Attachment A

Arkansas Guideline for Determination of Recoverable Transition Costs

If the answer to **any** of the following questions is Yes (Y), then the cost does not qualify as a transition cost.

- | Y | N | |
|--------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | 4. Is the cost expected to be recoverable in a competitive retail market? |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. Is the cost associated with competing to provide a product or service that is authorized for competition? |
| <input type="checkbox"/> | <input type="checkbox"/> | 6. Is the cost associated with a retirement or voluntary severance program? |
| <input type="checkbox"/> | <input type="checkbox"/> | 7. Is the cost associated with marketing or promotional activities? |
| <input type="checkbox"/> | <input type="checkbox"/> | 8. Is the cost for professional or advisory services or legal services associated with competitive strategies? |

If the answers to Question 1-3 are YES and Questions 4-8 are NO, then the transition cost criteria are met and the appropriate project code for qualified transition costs that potentially can be recovered should be used (Table 1 or Table 3). If the criteria are not met, non-qualified transition related costs should be charged to project codes identified as such in Table 1 or Table 3 also. Please retain your response to the questions for future reference.

Incremental vs. Base Costs

Project codes will be used to differentiate between base costs and incremental costs. Qualified base costs will NOT be considered for recovery as transition costs. Only qualified incremental costs will be considered for recovery as transition costs.

Base costs are those recurring costs that were included in the 1995 compliance cost of service study. Base costs are currently recovered as part of the base rates and will not be recoverable as Transition Costs. For the purpose of this Guideline, these costs are primarily recurring employee costs (salaries, taxes, benefits, and employee expenses) that were included in base rates. As a practical matter, **all payroll and related expenses should be charged to a base project code** except for those employees who have been added to staff the Transition to Competition organizations. If an employee (EAI, ESI, or other jurisdictional company) currently holds a position that was added to address the implementation of Act 1556, that employee's payroll and related expenses should be charged to an incremental project code for those activities associated with implementing Act 1556.

Incremental costs are all other costs associated with implementing Act 1556 that were not included in base rates (included in the 1995 compliance cost of service study) and meet the transition cost criteria. As indicated above, additional staffing and associated expenses involved in implementing Act 1556 are incremental costs. Included as incremental costs are those for consultant and legal fees incurred in implementing retail open access that meet the transition cost criteria. Additions or changes in business infrastructure as a result of deregulation are incremental costs. Consumer Education program implementation costs are incremental.

Attachment A

**Arkansas Guideline for Determination of
Recoverable Transition Costs**

If you are not certain if a cost should be categorized as base or incremental, please call Will Morgan, Arkansas Regulatory Affairs, at (501) 377-5489 (8-750-5489).

Attachment B

Texas Guideline for Determination of Recoverable Transition Costs

Senate Bill 7 allows for the specific recovery of reasonable employee-related transition costs incurred and projected for severance, retraining, early retirement, outplacement, and related expenses for the employees. Also, Senate Bill 7 allows that the commission may authorize an independent organization that is certified under this section to charge a reasonable and competitively neutral rate to wholesale buyers and sellers to cover the independent organization's costs. The exact method of recovery for either of these items is not mentioned in the legislation but for any chance of recovery these charges will need to be separately identified and collected in accounts. Also, the legislation requires that unbundling filings be made so it is reasonable to assume that the regulatory expense involved in these proceedings will be capable of being recovered through the T&D charge. The legislation does not specifically provide for any deferral of costs, however, capital costs associated with any infrastructure requirements on the transmission and distribution businesses will be included in the T&D rates on a going forward basis.

This Guideline will provide screening criteria and procedures for identifying and recording transition costs associated with the implementation of retail open access in Texas.

Entergy employees and contractors will be expected to use the correct project and activity codes for the competition implementation project activity in which costs are incurred.

Section 1 – Criteria for Transition Cost Recovery

If the answer to *any* of the following questions is No (N), then the cost is not a recoverable transition cost.

- | | | |
|---|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Y | N | |
|] |] | 1. Is the cost incurred required to carry out EGSI Texas' transition to, or implementation of retail open access, OR mandated by statute or regulation?
If Yes, please explain the type of costs to be incurred: _____

_____ |
|] |] | 2. Is the cost incurred directly associated with retail open access, i.e. the activity or initiative incurring the cost solely undertaken to implement retail open access?
If Yes, please explain the activity/initiative which will incur the costs: _____

_____ |

Attachment B

**Texas Guideline for Determination of
Recoverable Transition Costs**

☐ ☐ 3. Is the level of expenditure prudent and reasonable?

If the answer to *any* of the following questions is **Yes (Y)**, then the cost is **not** a recoverable transition cost.

Y N

- | | | |
|--------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | 4. Is the cost expected to be recoverable in a competitive retail market? |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. Is the cost associated with competing to provide a product or service that is authorized for competition? |
| <input type="checkbox"/> | <input type="checkbox"/> | 6. Is the cost associated with marketing or promotional activities? |
| <input type="checkbox"/> | <input type="checkbox"/> | 7. Is the cost for professional or advisory services or legal services specifically associated with the development of competitive strategies? |

If the answers to Question 1-3 are **YES** and Questions 4-7 are **NO**, then the transition cost criteria are met and the appropriate project code for Recoverable Transition Costs should be used (Table 2 or Table 3). Non-qualified transition costs should be charged to project codes in Table 2 also. Please retain your response to the questions for future reference.

Table 1
Project Codes for Transition Costs Incurred By or Billable to EAI

Project Code	Description
Qualified Transition Base Costs:	
TRAIMB	Transition Implementation Management-EAI Base Costs
TRAUBB	Unbundling (tariffs, functions, billing)-EAI Base Costs
TRASCB	Stranded Cost (method, determination, securitization, recovery)-EAI Base Costs
TRATIB	TransCo Implementation-EAI Base Costs
TRASAB	System Agreement Modification-EAI Base Costs
TRACEB	Consumer Education-EAI Base Costs
TRARMB	Rulemaking-EAI Base Costs
TRACIB	Customer Interface Infrastructure-EAI Base Costs
TRAMPB	Market Power Activities-EAI Base Costs
Qualified Transition Incremental Costs:	
TRAIMI	Transition Implementation Management-EAI Incremental Costs
TRAUBI	Unbundling (tariffs, functions, billing)-EAI Incremental Costs
TRASCI	Stranded Cost (method, determination, securitization, recovery)-EAI Incremental Costs
TRATII	TransCo Implementation-EAI Incremental Costs
TRASAI	System Agreement Modification-EAI Incremental Costs
TRACEI	Consumer Education-EAI Incremental Costs
TRARMI	Rulemaking-EAI Incremental Costs
TRACII	Customer Interface Infrastructure-EAI Incremental Costs
TRAMPI	Market Power Activities-EAI Incremental Costs
Non-qualified as Recoverable Transition Costs:	
TNRACS	Competitive Strategy-EAI
TNRATM	Transition Implementation Management-EAI
TNRAUB	Unbundling (tariffs, functions, billing)-EAI
TNRASC	Stranded Cost (method, determination, securitization, recovery)-EAI
TNRATI	TransCo Implementation-EAI
TNRASA	System Agreement Modification-EAI
TNRACE	Consumer Education-EAI
TNRARM	Rulemaking-EAI
TNRACI	Customer Interface Infrastructure-EAI
TNRAMP	Market Power Activities-EAI

Table 2
Project Codes for Transition Costs Incurred By or Billable to
EGSI-Texas

Project Code	Description
Recoverable:	
TRGTTI	TransCo Implementation-EGSI-Texas
TRGTSV	Employee-related costs for severance, retraining, early retirement, outplacement and related expenses-EGSI-Texas
TRGTIM	Transition Implementation Management-EGSI-Texas
TRGTUB	Unbundling (tariffs, functions, billing)- EGSI-Texas
TRGTSC	Stranded Cost (method, determination, securitization, recovery)-EGSI-Texas
TRGTTI	TransCo Implementation-EGSI-Texas
TRGTSA	System Agreement Modification-EGSI-Texas
TRGTCE	Consumer Education-EGSI-Texas
TRGTRM	Rulemaking-EGSI-Texas
TRGTCI	Customer Interface Infrastructure-EGSI-Texas
Non-recoverable:	
TNGTCS	Competitive Strategy-EGSI-Texas

Table 3
Project Codes for Transition Costs Billable to Multiple Jurisdictions

Project Code	Description
Billable to EAI and EGSi-TX; Qualified Transition Base Costs at EAI:	
TRCOIM	Transition Implementation Management-Base Costs
TRCOUB	Unbundling (tariffs, functions, billing) -Base Costs
TRCOSC	Stranded Cost (method, determination, securitization, recovery) -Base Costs
TRCOTI	TransCo Implementation-Base Costs
TRCOSA	System Agreement Modification-Base Costs
TRCOCE	Consumer Education-Base Costs
TRCORM	Rulemaking-Base Costs
TRCOCI	Customer Interface Infrastructure-Base Costs
Billable to EAI and EGSi-TX; Qualified Transition Incremental Costs at EAI:	
TRCCMI	Transition Implementation Management-Incremental Costs
TRCUBI	Unbundling (tariffs, functions, billing) - Incremental Costs
TRCSCI	Stranded Cost (method, determination, securitization, recovery) - Incremental Costs
TRCTII	TransCo Implementation- Incremental Costs
TRCSAI	System Agreement Modification- Incremental Costs
TRCCEI	Consumer Education- Incremental Costs
TRCRMII	Rulemaking- Incremental Costs
TRCCII	Customer Interface Infrastructure- Incremental Costs
Billable to EAI and EGSi-Texas and non-qualified as Recoverable Transition Costs at EAI:	
TNCOCS	Competitive Strategy
TNCOIM	Transition Implementation Management
TNCOUB	Unbundling (tariffs, functions, billing)
TNCOCS	Stranded Cost (method, determination, securitization, recovery)
TNCOTI	TransCo Implementation
TNCOSA	System Agreement Modification
TNCOCE	Consumer Education
TNCORM	Rulemaking
TNCOCI	Customer Interface Infrastructure
TNCOSV	Employee-related costs for severance, retraining, early retirement, outplacement and related expenses

Table 3 (cont'd)
Project Codes for Transition Costs Billable to Multiple Jurisdictions

Project Code	Description
Billable to all Jurisdictions; Qualified Transition Base Costs at EAI:	
TRALIM	Transition Implementation Management-Base Costs
TRALUB	Unbundling (tariffs, functions, billing) -Base Costs
TRALSC	Stranded Cost (method, determination, securitization, recovery) -Base Costs
TRALTI	TransCo Implementation-Base Costs
TRALSA	System Agreement Modification-Base Costs
TRALCE	Consumer Education-Base Costs
TRALRM	Rulemaking -Base Costs
TRALCI	Customer Interface Infrastructure-Base Costs
Billable to all Jurisdictions; Qualified Transition Incremental Costs at EAI:	
TRJIMI	Transition Implementation Management-Incremental Costs
TRJUBI	Unbundling (tariffs, functions, billing) -Incremental Costs
TRJSCI	Stranded Cost (method, determination, securitization, recovery) -Incremental Costs
TRJTII	TransCo Implementation-Incremental Costs
TRJSAI	System Agreement Modification-Incremental Costs
TRJCEI	Consumer Education-Incremental Costs
TRJRM	Rulemaking-Incremental Costs
TRJCI	Customer Interface Infrastructure-Incremental Costs
Billable to all Jurisdictions; Non-qualified as Recoverable Transition Costs at EAI:	
TNALCS	Competitive Strategy
TNALIM	Transition Implementation Management
TNALUB	Unbundling (tariffs, functions, billing)
TNALSC	Stranded Cost (method, determination, securitization, recovery)
TNALTI	TransCo Implementation
TNALSA	System Agreement Modification
TNALCE	Consumer Education
TNALRM	Rulemaking
TNALCI	Customer Interface Infrastructure
TNALSV	Employee-related costs for severance, retraining, early retirement, outplacement and related expenses

Table 4
Project Codes for Jurisdictions Without Legislation
Requiring Competition

Project Code	Description
Specific to ELI:	
TNRLCS	Competitive Strategy-Louisiana
TNRLIM	Transition Implementation Management-Louisiana
TNRLUB	Unbundling (tariffs, functions, billing)- Louisiana
TNRLSC	Stranded Cost (method, determination, securitization, recovery)-Louisiana
TNRLTI	TransCo Implementation-Louisiana
TNRLSA	System Agreement Modification-Louisiana
TNRLCE	Consumer Education-Louisiana
TNRLRM	Rulemaking-Louisiana
TNRLCI	Customer Interface Infrastructure
Specific to EMI:	
TNRMCS	Competitive Strategy-Mississippi
TNRMIM	Transition Implementation Management-Mississippi
TNRMUB	Unbundling (tariffs, functions, billing)- Mississippi
TNRMSC	Stranded Cost (method, determination, securitization, recovery)-Mississippi
TNRMTI	TransCo Implementation-Mississippi
TNRMSA	System Agreement Modification-Mississippi
TNRMCE	Consumer Education-Mississippi
TNRMRM	Rulemaking-Mississippi
TNRMCi	Customer Interface Infrastructure
Specific to ENOI:	
TNRNCS	Competitive Strategy-New Orleans
TNRNIM	Transition Implementation Management-New Orleans
TNRNUB	Unbundling (tariffs, functions, billing)- New Orleans
TNRNSC	Stranded Cost (method, determination, securitization, recovery)-New Orleans
TNRNTI	TransCo Implementation-New Orleans
TNRNSA	System Agreement Modification-New Orleans
TNRNCE	Consumer Education-New Orleans
TNRNRM	Rulemaking-New Orleans
TNRNCI	Customer Interface Infrastructure

Table 4 (cont'd)
Project Codes for Jurisdictions Without Legislation
Requiring Competition

Project Code	Description
Specific to EGSI-Louisiana:	
TNGLCS	Competitive Strategy-EGSI-Louisiana
TNGLIM	Transition Implementation Management-EGSI-Louisiana
TNGLUB	Unbundling (tariffs, functions, billing)- EGSI-Louisiana
TNGLSC	Stranded Cost (method, determination, securitization, recovery)-EGSI-Louisiana
TNGLTI	TransCo Implementation-EGSI-Louisiana
TNGLSA	System Agreement Modification-EGSI- Louisiana
TNGLCE	Consumer Education-EGSI-Louisiana
TNGLRM	Rulemaking-EGSI-Louisiana
TNGLCI	Customer Interface Infrastructure

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High Level TTC Spend Path

2001
\$66.1MM
Energy Efficiency \$45K

SBF
Retail Systems
Default Svc Provider
TX Distribution CCS
Pilot Proj/Pilot Ops

2000
\$22.6MM
Default Svc Provider \$493K
Retail Systems \$395K
Energy Efficiency \$153K

SBF
TX Distribution CCS
Texas SET
Implementation Mgt
Planning & Regulatory

1999
\$2.7MM
SBF \$73K
Energy Efficiency \$18K

Planning & Regulatory

HIGH LEVEL VIEW OF EGS-TX TTC COSTS BY SUMMARIZED CLASS Dollars in millions

Classes of Cost	1999	2000	2001	2002	2003	2004	2005	Total
TTC Plan & Reg	2.60	12.18	10.74	0.88	0.77	0.50	0.01	27.69
Implementation Mgt	0.04	2.97	6.61	3.16	1.85	0.82	0.14	15.60
Texas SET & LPDA	0.00	3.86	25.51	6.91	3.36	5.10	1.80	46.53
Pilot Proj/Ops	0.00	0.00	1.35	3.34	2.87	3.97	0.36	11.88
TX Distribution CCS	0.00	1.68	4.18	3.52	0.82	2.30	0.45	12.96
SBF & RECs	0.07	0.84	4.20	0.00	0.19	0.28	1.85	7.44
Default Svc Provider	0.00	0.49	9.27	3.93	-0.11	-0.49	0.52	13.62
Retail Systems	0.00	0.40	3.73	6.37	2.83	2.22	0.47	16.02
Energy Efficiency	0.02	0.15	0.48	1.01	2.27	1.92	0.36	6.21
Rates/Riders Prep	0.00	0.00	0.00	0.00	0.00	0.00	0.25	6.30
Total	2.73	22.58	66.09	29.12	14.84	22.66	6.21	164.23

2002
\$29.1M
Energy Efficiency

Retail Systems
Default Svc Provider
TX Distribution CCS
Pilot Ops
Texas SET
Implementation Mgt
Planning & Regulatory

2003
\$14.8MM
RECs \$193K

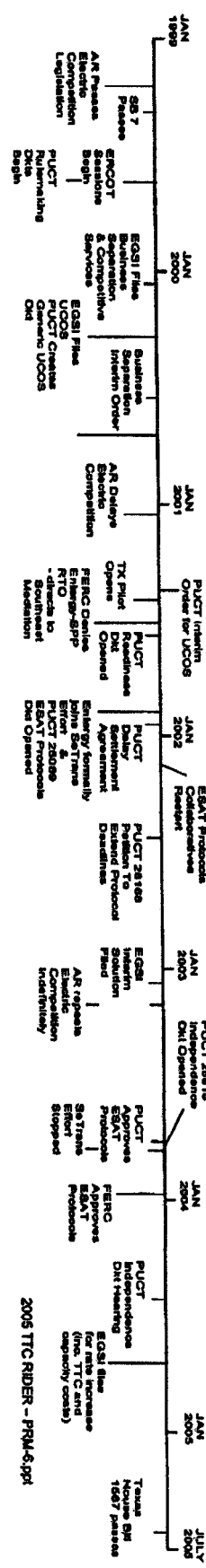
RECs \$193K
Energy Efficiency
Retail Systems
TX Distribution CCS
Pilot Ops
Texas SET
Implementation Mgt
Planning & Regulatory

2004
\$22.7MM
RECs \$271K

Rates/Rider Preparation
Energy Efficiency
Retail Systems
TX Distribution CCS
Pilot Ops
Texas SET
Implementation Mgt
Planning & Regulatory

2005
\$6.2MM
Rates/Rider Prep \$250K
Energy \$35K

Rates/Rider Prep \$250K
Energy \$35K
Retail Systems
TX Distribution CCS
Pilot Ops
Texas SET
Implementation Mgt
Planning & Regulatory



2006 TTC RIDER - PRM-6.pdf

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Projects, Decisions and Reframing Related to Energy's Transition To Competition

NOTE: "C" designates EGS's filing needs.

20936	Code of Conduct	
20944	Renewable Energy Mandates	
21023	Repeal of Integrated Resource Planning Rules	
21046	Repeal of Integrated Resource Planning Rules	
21072	Costs	
21073	Cost for Natural Gas	
21074	GLD Access	
21075	Energy Efficiency Programs	
21076	Fees for Annual Report	
21078	Electric Reliability Standards	
21081	Market Power Mitigation and Generation Capacity Reports	
21082	Costs of RFPs and POC	
21083	UCOs and BSP	
21187	System Benefit Fund Administration	
21220	Distributed Generation Information Rules	
21232	Rule Changes to Implement Service 88.7	
21251	Customer Education Plan	
21405	Capacity Auction	
21406	Environmental Clean-up of Plant Reliability Costs	
21407	Pilot Project	
21408	Provision of Last Resort	
21409	Price to Beat	
21682	Standard Protective Order	
21857	Business Separation Plan	
21884	Competition Energy Services	
22187	Workforce Diversity Reports	
22187	Terms and Conditions for TSP	
22200	Renewable Energy Credit Trading Program	
22241	Energy Efficiency Program Implementation	
22265	Customer Protection Rules	
22344	Gasline UCOs Issues	
22366	EGS UCOs Case	
22429	System Benefit Fund and Associated Programs	

Project, Decade and Submitting Related to BGE's Transition To Competition

Project No.	Submitting	Decade	Related
22540	Interconnection T&D		
22916	Electricity Liability		
23229	ERCOT Fee		
23671	Takeup Proceedings Under PURA 30.202		
23774	Proceedings to Implement Capacity Auction		
24230	ERCOT's Price to Beat		
24359	ERCOT's Request for QP of Fuel Factor		
24359	ERCOT's Price to Beat		
24359	ERCOT's Fuel Factor		
24359	ERCOT's OF Rules		
24480	FERC Updates		
24480	Resiliency Docket		
24685	Capacity Auction		
25088	Protections Docket		
25516	Load Profiling		
25184	Petition to Extend Deadlines for Protections		
26350	Competitive Bidding		
26470	T&D RFP		
27273	Interim Reliability Docket		
28518	Independence Docket		
30123	ERCOT's Rate Filing		
EN000	FERC System Agreement		
EN000	FERC System Agreement		
EN000	FERC System Agreement		

Project, Schedule and Information Related to Energy's Transition To Competition

NOTE: "C" designates EGS's filing is

Project	Schedule	Information
20005		Cost of Contract
20054		Renewable Energy Markets
21003		Report of Integrated
21046		Energy Reporting Data
21072		Consolidation of Renewable
21073		Costs
21074		Cost for Natural Gas
21075		GLD Account
21076		Energy Efficiency Programs
21077		Form for Annual Report
21078		Energy Efficiency Standards
21081		Market Power Mitigation and
21082		Competition Capacity Reports
21083		Calculation of RFPs and
21084		POC
21085		UCOS and BSP
21086		System Benefit Fund
21087		Administration
21220		Distributed Generation
21233		Interconnecting Rules
21251		Rule Changes to Implement
21405		Simple Bill 7
21406		Customer Education Plan
21407		Capacity Auction
21408		Environmental Clean-Up or
21409		Phase Retirement Costs
21410		Pilot Project
21411		Provider of Last Resort
21412		Price to Buy
21413		Standard Protective Order
21414		Statute Revision Plan
21415		Competitive Energy Services
22107		Workforce Diversity Reports
22108		Terms and Conditions for
22109		Trading Program
22110		Renewable Energy Credit
22111		Energy Efficiency Program
22112		Implementation
22113		Customer Protection Rules
22114		Classified UCOS Issues
22115		EGS UCOS Case
22116		System Benefit Plan and
22117		Associated Programs

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RECEIVED

DOCKET NO. 27273

2003 JUL 28 PM 2: 38

PUBLIC UTILITY COMMISSION
FILING CLERK

PROPOSAL FOR INTERIM
SOLUTION FOR RETAIL OPEN
ACCESS IN ENTERGY GULF
STATES, INC.'S SETTLEMENT
AREA OF TEXAS AND REQUEST
FOR COMMISSION ACTION

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§
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PUBLIC UTILITY COMMISSION

OF TEXAS

ORDER ON REHEARING

On January 24, 2003, Entergy Gulf States, Inc. (Entergy) filed a plan to implement retail competition in its Texas service area under an "interim solution" without a regional transmission organization. This Order denies Entergy's proposal for an interim solution and establishes an alternative timeframe to proceed with retail competition under an interim solution in Entergy's Texas service area.

I. Procedural History

On January 24, 2003, Entergy filed its petition for an interim solution in response to the Commission's orders in Docket No. 24469 and 26168.¹

On January 30, 2003, the Commission's administrative law judge (ALJ) issued Order No. 1, requesting that any interested party file a list of issues to be considered in this proceeding. On February 7, 2003, the following parties each filed a list of issues: Alliance for Retail Markets (ARM); Commission Staff; Cities;² Entergy; Entergy REPs (Entergy Solutions Ltd., Entergy Solutions Select Ltd., and Entergy Solutions Essentials Ltd.); Office of Public Utility Counsel (OPC); Reliant Resources, Inc. (Reliant); Texas

¹ Staff's Petition to Determine Readiness for Retail Competition in the Portions of Texas Within the Southeastern Electric Reliability Council, Docket No. 24469, Final Order (Dec. 20, 2001); Petitions to Extend Deadlines for Development of Market Protocols Within the Southwestern Electric Reliability Council, Docket No. 26168, Final Order (Sept. 26, 2002).

² Bridge City and the Cities of Beaumont, Groves, Nederland, and Port Neches.

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