



2003 BUDGET VS ACTUAL RESULTS

(\$ in millions)

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Management Committee
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2003 Budget vs. Actual Results SUMMARY

Reason	Description	\$ Amt
Spending	2003 Budget vs. Actual underrun (see details on slides within this presentation)	\$1.3
Load	RS1 collection shortfall on original invoices	<u>\$0.9</u>
Total Potential Refund Due to MPs		\$2.2

2003 Budget vs. Actual Comparison

(\$ in millions)

	<u>Budget</u>	<u>Actual</u>	<u>\$ Variance Over/(Under)</u>	<u>% Variance Over/(Under)</u>	<u>Variance Explanation</u>
Capital	\$31.9	\$30.3	(\$1.6)	(5.0%)	see pg. 4
Salaries & Benefits	\$38.0	\$37.6	(\$0.4)	(1.1%)	n/a
Consultants	\$28.7	\$20.7	(\$8.0)	(27.9%)	see pg. 5 & 6
Legal	\$6.5	\$7.8	\$1.3	20.0%	see pg. 7
Building Services	\$3.8	\$3.3	(\$0.5)	(13.2%)	see pg. 8
Project Dev. & Computer Services	\$20.5	\$24.9	\$4.4	21.5%	see pg. 9
Insurance	\$6.1	\$6.7	\$0.6	9.8%	see pg. 10
Telecommunications	\$3.3	\$3.1	(\$.2)	(6.1%)	n/a
BOD/Training/NPCC Fees/Debt Service	\$23.0	\$22.5	(\$0.5)	(2.2%)	n/a
FERC Fees	<u>\$5.0</u>	<u>\$7.9</u>	<u>\$2.9</u>	<u>58.0%</u>	see pg. 10
TOTAL BUDGET	\$166.8	\$164.8	(\$2.0)	(1.2%)	
Less: Revenues	(\$1.6)	(\$1.0)	\$0.6	37.5%	see pg. 11
Less: Financing	<u>(\$47.1)</u>	<u>(\$47.0)</u>	<u>\$0.1</u>	<u>0.0%</u>	n/a
Required Cash via Rate Schedule #1	\$118.1	\$116.8	(\$1.3)	(1.1%)	



Treatment of 2003 Budget Underrun

- The underrun from the 2003 budget will be revisited with market participants in April 2004 after the conclusion of the annual financial audit.
- The Board of Directors will also review the 2003 budget vs. actual results at that time.
- Any rebates to market participants (who contributed during 2003) would occur via reduction of Rate Schedule #1 in future settlement invoices.