

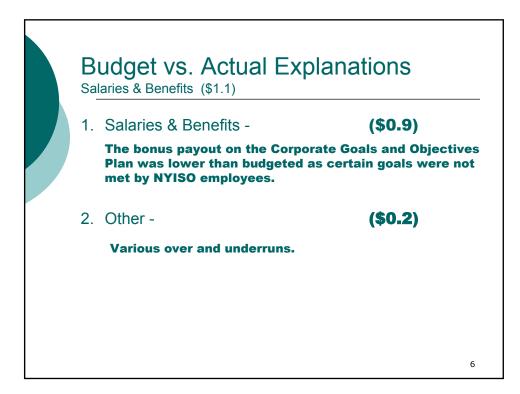
2002 Budget vs. Actual Comparison

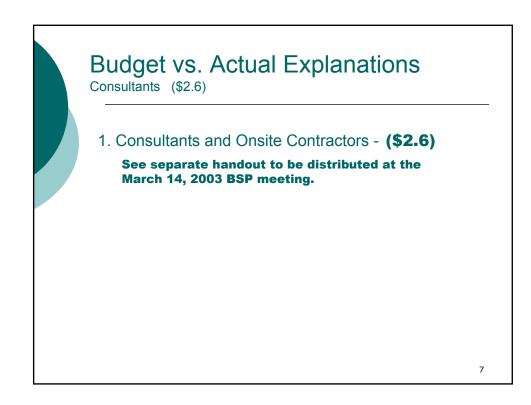
(\$ in millions)	2002 Budget	2002 Actual	\$'s Budget vs. Actual Over(Under)	% Budget vs. Actual Over(Under)
Capital	\$7.9	\$7.3	(\$0.6)	(8%)
Salaries & Benefits	\$34.7	\$33.6	(\$1.1)	(3%)
Consultants	\$15.7	\$13.1	(\$2.6)	(16%)
Legal	\$7.0	\$7.4	\$0.4	6%
Building Services	\$3.2	\$2.8	(\$0.4)	(13%)
Project Development & Computer Serv.	\$12.6	\$14.3	\$1.7	13%
Insurance	\$2.4	\$3.1	\$0.7	29%
Telecommunications	\$4.1	\$2.2	(\$1.9)	(46%)
Board of Directors	\$0.8	\$0.9	\$0.1	13%
Meetings/Travel/Training	\$2.9	\$2.6	(\$0.3)	(10%)

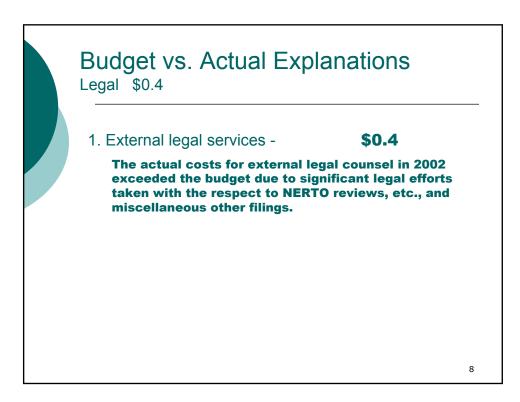
2002 Budget vs. Actual Comparison

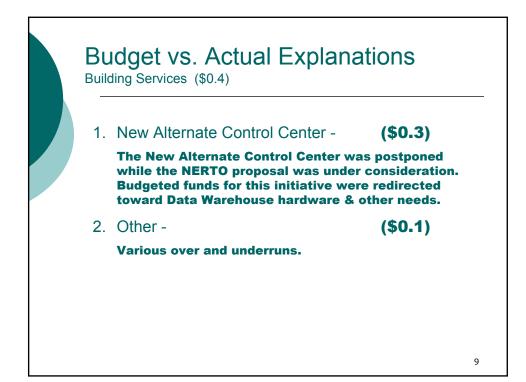
(\$ in millions)	2002 Budget	2002 Actual	\$'s Budget vs. Actual Over(Under)	% Budget vs. Actual Over(Under)
NPCC Fees	\$1.5	\$1.4	(\$0.1)	(7%)
FERC Fees	\$5.0	\$6.2	\$1.2	24%
Debt Service & Bank Fees	\$13.5	\$13.5	\$0	0%
Depreciation & Amortization	\$5.9	\$8.4	\$2.5	42%
Contingency	<u>\$3.1</u>	<u>\$0</u>	<u>(\$3.1)</u>	100%
TOTAL BUDGET	\$120.3	\$116.8	(\$3.5)	(3%)
Less: Non-cash expenditures	(\$5.6)	(\$8.1)	(\$2.5)	(45%)
Less: Revenues	<u>(\$4.2)</u>	<u>(\$1.0)</u>	<u>\$3.2</u>	<u>76%</u>
Required Cash via Rate Schedule #1	\$110.5	\$107.7	(\$2.8)	3%

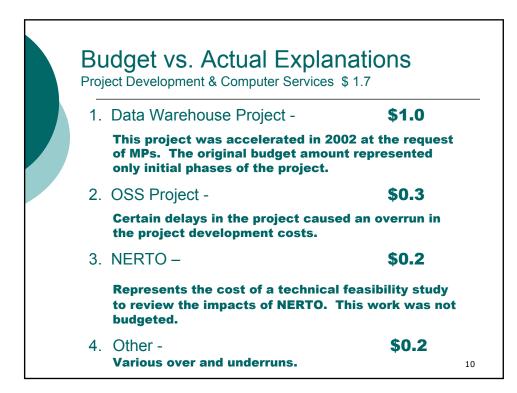
	Budget vs. Actual Explanations						
	1.	New Alternate Control Center -	(\$3.3)				
		The New Alternate Control Center was postponed while the NERTO proposal was under consideration. Budgeted funds for this initiative were redirected toward Data Warehouse hardware & other needs.					
	2.	Computer Room Expansion –	(\$0.7)				
		Certain hardware included in the 2002 budget was eliminated or deferred to 2003 until the expansion of the PCC computer room could be completed.					
	3.	Offset by: Data Warehouse hardware -	\$2.5				
		\$2.5 of the budget for the New Alternate Control Center was transferred to the Data Warehouse Project for computer hardware and software purchases.					
	4.	Offset by: Telecom reclassifications -	\$0.9				
		\$0.9 in purchases of telecom equipment were budgeted under Telecommunications, but the actual costs were Capital additions. See corresponding variance in Telecommunications. 5					

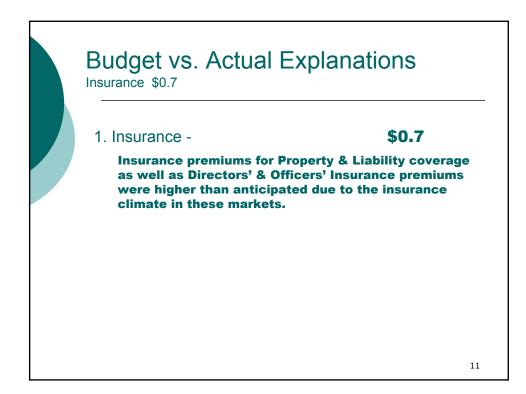


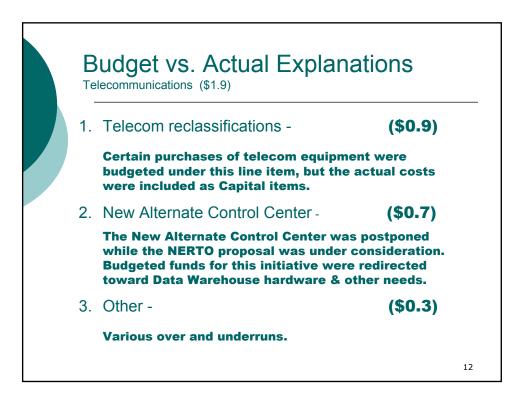


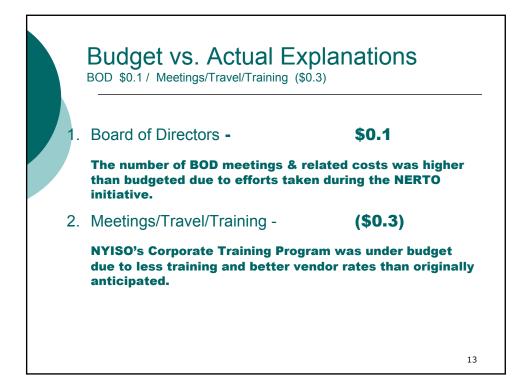


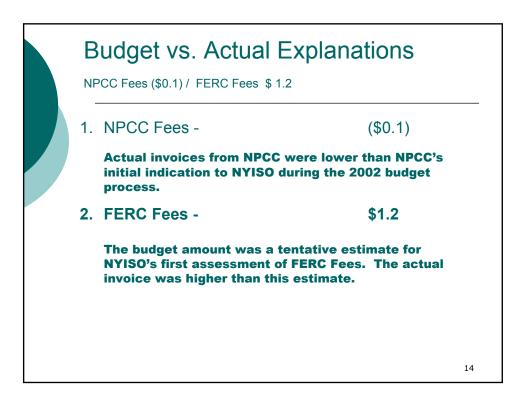














•The underrun from the 2002 budget will be revisited with market participants in April 2003 after the conclusion of the annual financial audit.

• The Board of Directors will also review the 2002 budget vs. actual results at that time.

•Any rebates to market participants (who contributed during 2002) would occur via reduction of Rate Schedule #1 in future settlement invoices.

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