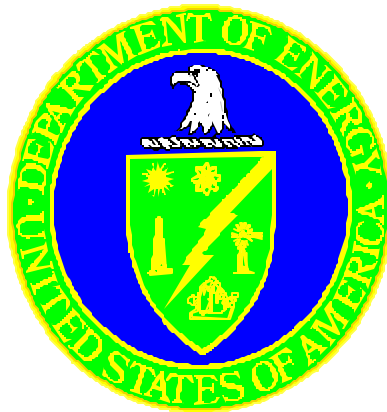


U.S. DEPARTMENT OF ENERGY

Report on Carryover Balances for Fiscal Year Ending September 30, 2001



April 12, 2002

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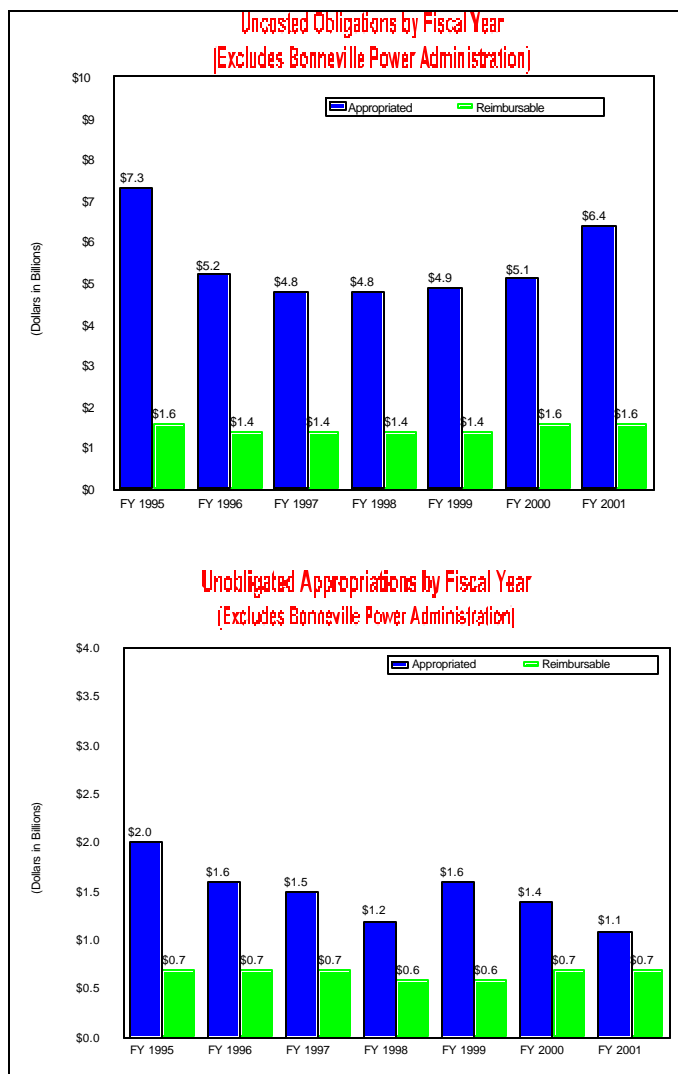
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SUMMARY OF ANALYSIS

On October 24, 1992, the President signed the Energy Policy Act of 1992 into law (P.L. 102-486). Section 2307 of the Act requires the Department to submit an annual report to Congress on the status of its uncosted obligations. The scope of this report has been expanded to include both uncosted and unobligated balances to present a more comprehensive picture of Department's performance in managing carryover balances. This is the tenth annual submission of that report.

The analysis presented in this report indicates that the Department continues to maintain uncosted and unobligated balances at a level that is consistent with sound financial management. As Exhibit 1 shows, the Department has reduced its uncosted balance for appropriated activities by \$0.9 billion since fiscal year 1995. Between fiscal years 1996 (when we started our analysis efforts) and 2000, balances remained fairly constant. This leveling off is consistent with the Department's analysis which indicates that DOE has approached an appropriate level of uncosted balances. In FY 2001, appropriated uncosted balances increased by \$1.3 billion over FY 2000 levels. This increase was driven by a number of factors including: 1) a \$2.3 billion dollar increase in total budget authority. Areas of increased funding included emergency funds for Cerro Grande fire recovery operations; Environmental Management; Science; and Weapons Activities. Much of the funding in these areas is related to construction type activities (e.g. vitrification facility) and other long lead-time activities (multi year fire recovery efforts) which typically cost over an extended period and display higher percentages of uncosted balances than normal operating funding. 2) a general increase in balances for privatization initiatives which provide up-front funding for construction of major cleanup or waste disposal facilities. Uncosted balances in this area are expected to be significant as funds are held until the required facilities are constructed and operational. 3) delayed costing under the International Nuclear Materials Protection, Control and Accounting (MPC&A) program due to the absence of an access agreement with Russia which is critical for accomplishing work under the

Exhibit 1



program. While an agreement has now been established and normal costing patterns have resumed, higher than normal uncostered balances existed at the close of FY 2001. 4) Extended costing patterns of certain arms control and nonproliferation programs such as the Nuclear Cities Initiative, Initiatives for Proliferation Prevention, and the Policy and Analysis programs. Like the MPC&A program, these initiatives involve negotiating and conducting business with the former Soviet Union. Difficulties in negotiating required agreements, as well as the multi-year nature of the work creates significantly higher uncostered balances than normal operating funding.

In addition to monitoring overall trends in uncostered obligations, the Department analyzes individual appropriations' balances against established thresholds (or targets) which represent standard costing levels for various types of funding such as construction, operating, and capital equipment. While balances above these thresholds are not inherently inappropriate, they must be further analyzed and justified to ensure they remain consistent with sound financial management and overall funding needs. In FY 2001, the Department was \$345.8 million above the established threshold. There are two major drivers for this over threshold amount. First, as noted earlier in this report, the lack of an access agreement with Russia significantly hampered program accomplishment in the International Nuclear Materials Protection, Control and Accounting program (MPC&A) which is already characterized by an extended costing pattern. As a result of this and the extended costing patterns of other arms control and nonproliferation programs (i.e. Nuclear Cities Initiative, Initiatives for Proliferation Prevention, etc.), the Defense Nuclear Nonproliferation appropriation was \$237.8 million above the anticipated threshold at the end of FY 2001. An agreement has since been signed and normal costing patterns have been resumed for FY 2002. The second major driver is the Cerro Grande appropriation which was over threshold by \$95.7 million. These funds provide support for the continuing rebuilding efforts in Cerro Grande, New Mexico as a result of the May 2000 fires that devastated the area. Due to the multi-year efforts that are involved, these emergency funds are expected to be costed at a much slower rate than normal operating funds. The threshold analysis beginning on page 5 of this report provides further detail on these activities.

After considering the effect of the increase in total obligation authority and the justification for the MPC&A and Cerro Grande activities, we believe the Department continues to maintain uncostered obligation balances at a level that is consistent with sound fiscal management and overall funding objectives. However, we will continue to refine our analyses and look for new ways to better manage these balances.

In addition to managing uncostered obligations, the Department has also significantly reduced unobligated balances for appropriated activities. Unobligated balances for appropriated activities have been reduced by \$0.9 billion since FY 1995 and decreased by \$265 million between FY 2000 and FY 2001. This further demonstrates the Department's commitment to reducing excess balances rather than recategorizing them. These reductions also reflect the added emphasis being placed on understanding, reviewing, and managing these balances throughout the Department.

Finally, the Department utilized \$194.7 million of carryover balances to offset programmatic costs in FY 2000 and an additional \$139.8 million in FY 2001. (See Chart 5) Effective use of available balances helps provide continuity of Departmental operations and assists ensuring that these balances

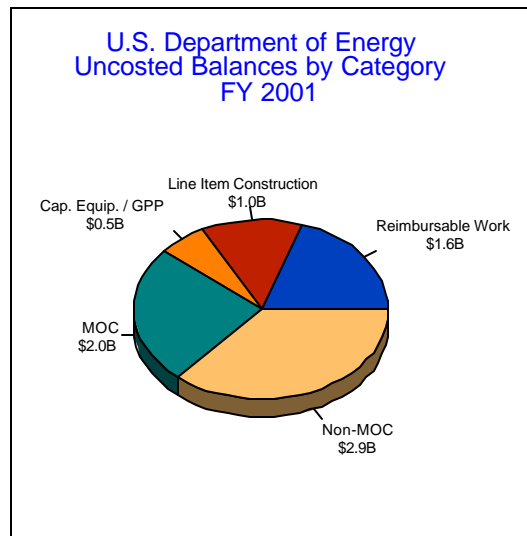
continue to be right-sized.

Composition of FY 2001 Year End Uncosted Obligations

Exhibit 2 presents the composition of the Department's \$8 billion uncosted balance as of September 30, 2001. Of this amount, \$1.6 billion was associated with reimbursable work funded by appropriations of other Federal agencies and non-Federal entities. These funds are under external control and cannot be used to offset DOE appropriations. Another \$1.0 billion is associated with Line Item construction projects. Construction projects are reviewed on a case-by-case basis through other Departmental processes including the annual Congressional Report on Prior Year Construction Projects.

Five hundred million dollars of the total uncosted balance is related to Capital Equipment, General Plant Projects (GPP) and Accelerator Improvement Projects (AIP). Another \$2 billion is attributed to uncosted balances arising from the operating activities of the Department's major operating contractors (MOC), including Management and Operating (M&O), Integrated and Integrating contractors. The final \$2.9 billion results from operating and prime contract activities not related to the Department's MOCs.

Exhibit 2



Background & Analysis Approach

It is not possible to eliminate uncosted obligations completely. Uncosted obligations are required to meet that portion of existing contractual obligations related to goods and services that have not yet been received, used, or consumed. The Department of Energy maintains a cost-based accounting system, consistent with OMB cost and accrual accounting requirements, to track these balances.

In April 1996, the General Accounting Office (GAO) issued its report "DOE Needs to Improve its Analysis of Carryover Balances" (GAO/RCED-96-57). The GAO stated that the Department "does not have a standard, effective approach for identifying excess carryover balances that may be available to reduce future budget requests. Instead it relies on broad estimates of potentially excess balances in its individual programs. As a result, DOE cannot be sure whether the amount of carryover balances it proposes for use by its programs is adequate, too small, or too large..."

Recognizing that there is a legitimate rationale for retaining some level of uncosted balances and to address GAO concerns, DOE developed a comprehensive approach for the systematic analysis of uncosted balances. This approach is based on establishment of percentage thresholds specifying levels

of uncosted balances consistent with sound financial management for specific types of financial/contractual arrangements. This allows the Department to evaluate its overall performance based on the variance between target thresholds and actual balances.

A target threshold is defined as an analytical reference point (i.e., a specific dollar value or percentage of funds available) beyond which uncosted obligation balances should be given greater scrutiny. That does not mean that balances in excess of threshold are inappropriate. It does mean these balances will become subject to more intensive review and require more detailed justification to determine their appropriateness.

In order to analyze those areas where the Department can exercise the most control, costs and uncosted balances are segregated into distinct categories that display similar and predictable costing rates. The table in Exhibit 3 outlines the various uncosted categories and their respective thresholds.

Exhibit 3

CATEGORY	THRESHOLD
<p>Contractor operating costs: This category includes costs incurred by Major Operating Contractors (MOC) that manage Departmental sites.</p>	<p>13% of the Total Funds Available to Cost (TAC) for operating activities for the fiscal year just ended.</p>
<p>Capital Equipment, GPP & AIP: Capital equipment that meets the accounting criteria for capitalization. General Plant Projects and Accelerator Improvement Projects are grouped in this category because they share similar costing patterns.</p>	<p>50% of the Total Funds Available to Cost (TAC) for capital equipment, GPP and AIP respectively for the fiscal year just ended.</p>
<p>Non-Integrated Operating & Prime Contract Costs: Costs for other than MOC contractors.</p>	<p>17% of the Total Funds Available to Cost (TAC) for non-integrated activities for the fiscal year just ended.</p>
<p>? Line Item Construction ? Grants ? CRADAs and other Cooperative Agreements ? Reimbursable Work ? EM Privatization</p>	<p>Not Subject to a Specific Threshold. These costs should be reported and evaluated on a case-by-case basis throughout the life of the contractual instruments. (Consistent with GAO's approach)</p>

The analysis process requires that all Departmental elements (Headquarters organizations, Field organizations, Major Operating Contractors) review their respective uncosted balances against the above thresholds and report the results. Each element arrays their uncosted balances in a standard

format which discloses programs with uncosted balances in excess of the defined thresholds. For each program that exceeds the defined threshold, a narrative justification is required which explains the major drivers for the balances, accompanied by a request to retain the balances based on a defined planned usage, or an acknowledgment that the balances can be withdrawn for higher priority use.

The increased emphasis on analyzing these balances as a result of this new direction has contributed greatly to the Department's success in managing uncosted balances.

Summary Uncosted Threshold Analysis

As noted earlier in this report, the purpose of the threshold approach is to provide a reference point beyond which further analysis is required to determine if a particular balance is appropriate or necessary. However, it cannot be assumed that any amount over threshold is inherently available or unnecessary. In addition to providing a basis for assessing the appropriateness of balances, this analysis helps to identify types of funding and contractual instruments which display inherently higher balances than typical operating funding. Categories such as line-item construction, grants, cooperative agreements, and reimbursable work have traditionally been exempted from threshold application. These exemptions are consistent with the GAO approach for reviewing uncosted balances.

In FY 2000, the Department added Defense Environmental Management Privatization funding to the list of exempted funding categories. The Privatization Initiative is designed to shift risk and responsibility for financing construction of major cleanup or waste disposal facilities to the private sector. Privatization contracts inherently display a high percentage of uncosted balances since up-front funding is required and payment is not made until significant goals are completed by the contractor (i.e., completed construction of a waste treatment facility) which may extend beyond the current fiscal year. GAO, in their last review of DOE carryover balances, agreed that privatization projects should be reviewed separately, and did not apply percentage targets to privatization funding. DOE has made this change consistent with the GAO approach. While not subject to threshold analysis, these balances are reviewed each year to ensure that the carryover amounts correlate with the level of planned privatization activities.

DOE's threshold analysis for FY 2001 shows that the Department as a whole is \$345.8 million over the target threshold. (See Chart 3). It is important to note that the amount over threshold represents a "Net" amount at the Departmental level, and that this variance consists of a combination of over and under threshold amounts for various appropriations as indicated in Chart 3. Therefore, the total value of the balances justified will exceed the \$345.8 million variance at the Departmental level. Exhibit 4 provides detail on five appropriations that exceeded individual thresholds and significantly impacted the Department's overall variance. Justifications for balances in each of those appropriations have been included below.

Exhibit 4

Appropriation	FY 2001 Ending Uncosted Balance	FY 2001 Threshold Amount	Amount Over Threshold/ Variance	Percent Variance
89X00309 Defense Nuclear Nonproliferation	\$443.1M	205.3M	\$237.8M	116%
89X0312 Cerro Grande Fire Activities	\$234.3M	\$138.6M	\$95.7M	69%
89X0315 Uranium Facilities Maintenance and Remediation	\$138.5M	\$72.4M	\$66.1M	91%
89X0213 Fossil Energy Research & Development	\$352.1M	\$274.9M	\$77.2M	28%
89X0215 Energy Conservation	\$419.0M	\$339.6M	\$79.4M	23%

EXPLANATION OF SIGNIFICANT THRESHOLD VARIANCES:

Energy and Water Development Appropriations

Appropriation 89X0309, Defense Nuclear Nonproliferation - Exceeds the appropriation threshold by a net amount of \$237.8 million, primarily due to the International Nuclear Materials, Protection, Control, and Accounting (MPC&A), Arms Control and Nonproliferation, and Fissile Materials Disposition programs. The MPC&A program is working to upgrade physical security at 95 sites in Russia that use or store nuclear weapons or weapons-usable nuclear materials to prevent their unauthorized removal. The MPC&A program requires negotiating unique agreements with countries of the Former Soviet Union (FSU). Many of these agreements are multi-year in nature and require up-front funding, leaving uncosted balances in the first year of the contract since portions of the work are scheduled for subsequent year(s). Also, DOE laboratories must have full funding in hand before beginning contract discussions with Russian institutes, while the ensuing contract negotiations may span over several months. Further, payments cannot be made to Russian institutions until specified deliverables are completed and accepted. All of these factors increase uncosted balances at the end of the year. An additional delay in costing during FY 2001 occurred because the Department did not have a signed agreement in place with Russia for access to sensitive sites. The agreement, which is critical for accomplishing work under the MPC&A program, has now been established and a normal costing pattern is expected in FY 2002. All MPC&A uncosted balances are either committed onto legal contracts between the DOE laboratories and Russians/private sector where funds are for work underway but not yet costed or under active negotiation of new or follow-on contracts. It should be

noted that 55% of the MPC&A uncosted balances were committed in legally binding contracts and that the remaining 45% was being used by the laboratories to actively negotiate new contracts during the end of FY 2001 but which were not signed until early FY 2002. These funds are still necessary to achieve the programmatic activities for which they were originally appropriated.

Balances that exceed thresholds within the Arms Control and Nonproliferation program are associated with the Nuclear Cities Initiative, Initiatives for Proliferation Prevention, and Policy and Analysis programs and, as with the MPC&A program, are due largely to the way the programs conduct business with the FSU. Projects can take as long as four years to complete their cycle. Many of the contracts are for multi-year projects and require full up-front funding, leaving significant uncosted balances in the early years of the contract since portions of the work are scheduled for subsequent year(s). Further, payments cannot be made until specified deliverables are completed and accepted. In addition, the Nuclear Cities Initiative program negotiated an access agreement with MinAtom throughout much of FY 2001, completing the signed agreement in FY 2002; during these negotiations, project activities were slowed. These funds are still necessary to achieve the programmatic activities for which they were originally appropriated.

Uncosted balances in the Fissile Materials Disposition Program are due to a number of factors. In the U.S. Surplus Disposition Program, as the result of anticipated budget constraints in FY 2002, the level of effort on some FY 2001 activities was reduced, and in some cases the work was suspended (e.g., immobilization and parts of pit disassembly and conversion) in order to keep levels of work and expenditures in FY 2002 at a level consistent with program needs and available budget authority. The resulting uncosted balances are being used for higher priority activities in FY 2002. Additionally, planned upgrades to the magazines at Pantex for the storage of surplus pits were not needed as the results of tests of the thermal capabilities of the magazines and the funds were carried over into FY 2002 to lessen the impact of the FY 2002 budget levels. Also, the continuing resolution at the beginning of FY 2001 reduced the level of activity that could be applied to a new Highly Enriched Uranium project with the result that activities that could not be accomplished in FY 2001 as originally planned are being executed in FY 2002 using the uncosted balances. In addition, the Administration's review of the U.S.-Russian Plutonium Disposition Program caused a delay in planned expenditures. A final decision to proceed with the Russian Plutonium Disposition Program will utilize the uncosted balances in FY 2002.

Appropriation 89X0312, Cerro Grande Fire Activities - Exceeds appropriation threshold by a net amount of \$ 95.7 million. These funds are to be used in the continuing rebuilding efforts in Cerro Grande, New Mexico as a result of the May 2000 fires that devastated the area. Spending plans are in place, but due to the nature of various activities requiring long-lead procurements, estimated completion dates are in FY 2003. These emergency funds remain necessary to continue activities associated with the recovery and restoration from the fire.

Appropriation 89X0315, Uranium Facilities Maintenance & Remediation - Exceeds the appropriation threshold by a net amount of \$66.1 million. The uncosted balance in this appropriation consists primarily of the following four activities: 1) A \$27 million reprogramming approved late in Fiscal Year 2001. Due to the late receipt of funding, \$11.5 million needed for work in FY 2002 was

uncosted at year end; 2) A total of \$20 million is related to waste disposal contracts which cost only upon actual disposal of waste. The uncosted balance reflects the time lag between time of shipment and time of disposal; 3) \$2 million supports the Department's potential liability regarding pending litigations/investigations relating to the United States Enrichment Corporation; 4) uncosted balances retained to pay final vouchers for contracts in closeout and awaiting final Defense Contract Audit Agency audits. These balances remain necessary to fund the programmatic activities for which they were appropriated.

Interior Appropriations

Appropriation 89X0213, Fossil Energy Research and Development - Exceeds the appropriation threshold by a net amount of \$ 77.2 million. The following items are the primary reasons for this uncosted balance: 1) a series of continuing resolutions in FY 2001 limiting the availability of funds early in the first quarter and constricting competitive soliciting by the programs, which results in delays in obligations; 2) the use of various cost shared research and development contracts which require advance funding for multi-year work, whereas costing occurs over a longer time span; 3) the execution of competitive contractual instruments such as Broad Based Agency Announcements, Program Research and Development Announcements, Program Solicitations, etc., which require additional time to generate awards and produce higher than normal uncosted balances; and, 4) uncosted balances retained to pay final vouchers for contracts in closeout and awaiting final Defense Contract Audit Agency audits. These balances remain necessary to fund the programmatic activities for which they were appropriated.

Appropriation 89X0215, Energy Conservation - Exceeds the appropriation threshold by a net amount of \$79.4 million, primarily the result of contracting mechanisms and operating procedures (such as cost-shared contracts and competitive R&D awards) necessary to conduct the types of research and development activities supported by the Energy Conservation appropriation. These contracting vehicles inherently provide levels of uncosted balances which are higher than normal operating funding, but which are equally justifiable.

For example, the Office of Energy Efficiency and Renewable Energy frequently enters into cost-shared research activities, which are subcontracted through the Department's laboratories. The "Building America" program and the "Partnership for a New Generation of Vehicles" program both are in this category. Funds for these and other cost-shared activities are most often multi-year in nature and require up-front funding to ensure program continuity. This funding process, while necessary, results in higher uncosted balances than normal due to the out year funding commitments.

Another characteristic unique to Energy Conservation research activities is the length of time required to make competitive awards after the start of the fiscal year. Competitive solicitations are subject to a two month solicitation period, a two month application period, and a two to three month period for final award. This delays the obligation of funds significantly. Funds which might otherwise be obligated in December, for example, would be obligated in June or July. Therefore, an additional six to seven months (approximately 48 to 56 percent) of uncosted obligations might be expected at the end of the year.

These are typical examples of circumstances which affect uncosted balances for this appropriation. The Department continues to monitor these activities to ensure that any over threshold amounts are attributable to these types of contractual agreements. In addition, the Office of Energy Efficiency and Renewable Energy began implementing new business management systems two years ago that facilitate structured performance reviews including the review of accrued costs and uncosted balances in relation to technical progress. The office is also in the process of executing a major reorganization for the purpose of improving program management. The new management systems and organization will increasingly facilitate advanced program planning, the timely transfer of funds to procurement offices for program implementation, and the monthly review of milestone achievements within projected schedules and costs. This emphasis on program and project management, with special attention on carryover balances, could reduce uncosted balances in the future.

These funds are necessary to accomplish the programmatic activities for which they were appropriated.

Unobligated Balance Analysis

The majority of the Department's appropriations are "no-year" funds, thus, balances must be continuously reviewed to ensure that any remaining unobligated funds are spent on Departmental activities for which they were originally appropriated, used to offset future budget requests, or utilized in other aspects of the Congressional budget process. Each year, the Department's unobligated balances are justified to the Office of Management and Budget as part of the annual reapportionment process. Chart 4 shows the Department's end-of-year unobligated balances by appropriation for fiscal year 2001. The analysis below provides explanations of the major drivers for the Department's largest unobligated balances.

EXPLANATION OF SIGNIFICANT BALANCES:

Energy and Water Development Appropriations

Appropriation Number 89X0309, Defense Nuclear Nonproliferation (\$ 222.9M Unobligated, 21% TOA) - \$167 million of this balance is for the Fissile Materials Disposition program. Of this total, \$151M was unobligated for the Russian Plutonium Disposition program. These funds were appropriated in FY 1999 in an Emergency Supplemental appropriation for Russian Plutonium Disposition and can only be used for work in Russia. The funds remained unobligated in FY 2001 due to the Administration's review of nonproliferation program with Russia. The Administration determined that this program should move forward and plans are underway to obligate these funds over a two-three year period beginning in FY 2002. In addition, the unobligated balances in the U.S. Surplus Disposition Program will be used to fund: a) the Highly Enriched Uranium Blend Down Project.; b) the Mixed Oxide Fuel Fabrication Facility.; c) the Pit Disassembly & Conversion Facility

In addition, there is about \$13 million unobligated in Program Direction that was planned to be carried

over into FY 2002 for Congressional direction to convert M&O contractors to federal employees. About \$42 million was unobligated in the Arms Control and Nonproliferation program. Of this amount, \$10.2 million was for the Nuclear Cities Initiative, which could not be obligated until 30 days after the date on which the Secretary of Energy submitted to the House and Senate Armed Services Committees an agreement with the Russian Federation on closure of Russian nuclear weapons facilities. On September 10, 2001, the signed "Implementing Arrangements" on closure of the Avangard Nuclear Weapons Plant in Sarov, Russia, was submitted to Congress. As a result of this agreement, the Nuclear Cities Initiative program is now authorized to obligate and expend these funds. The resulting projects are multi-year in nature and will it take several years to fully expend the funds. Another \$16.9 million was unobligated related to support of long-term storage of Kazakhstan spent fuel. These funds could not be obligated until the packaging phase was completed, which has now happened. An additional \$14.9 million for the separated civil plutonium program was unobligated as the program was cancelled in FY 2001. The unobligated funds are planned to be reprogrammed for use within the Nonproliferation and International Security office. This was noted in the FY 2003 budget to Congress..

Colorado River Basin Fund (\$54.2M Unobligated, 13%) - This represents a revolving fund balance which is utilized to fund continuing operations. These balances are not available for offset or withdrawal.

Interior Appropriations

Fossil Energy Research and Development (\$ 124.8M Unobligated, 22% TOA)

The major drivers for this unobligated balance are as follows: (1) the presence of cost shared research and development contracts which require up-front and incremental funding for multi-year work, whereas costing and obligating occurs over a longer time span; (2) the execution of competitive awards such as Broad-based Agency Announcements, Program Research and Development Announcements and Program Solicitations which take additional time to generate awards, resulting in higher than normal unobligated balances; (3) a series of continuing resolutions in the first quarter of FY 2001 which delayed the competitive solicitation process. Many of these contracts are congressionally mandated, thus the unobligated balance is necessary to fund these activities.

Strategic Petroleum Reserve (\$41.4M Unobligated, 22% TOA)

The majority of this balance is required to carry-out on-going programmatic activities, such as: Funding required to award the contract for Vapor Pressure Mitigation, settlement of outstanding claims from the Life Extension Program, and ongoing activities associated with the Royalty-in-Kind and Exchange program receipts. The unobligated balance also includes funds retained to support petroleum drawdown activities, the occurrence of which is unpredictable. This balance provides the source of funds to finance a portion of the incremental costs of a six month drawdown. The funds are also required for the purposes of acquiring, transporting, and injecting crude oil into the Reserve.

Clean Coal Technology (\$319.4 M, 95% TOA)

The primary driver behind this unobligated balance is the use of Cooperative Agreements by the Clean Coal Technology (CCT) Program. Cooperative Agreements require at least 50 percent cost-sharing with private sector participants. Up-front funding provides assurance to private-sector participants that funding will be available for the entire federal commitment under the terms of the Cooperative Agreement. Funding for Cooperative Agreements is provided in increments corresponding to predefined milestones. Funding requirements for the remaining Cooperative Agreements are scheduled for Fiscal Years 2002 through 2004. The unobligated balance is necessary for future activities as there are no new appropriations available for the CCT Program.

U.S. DEPARTMENT OF ENERGY
Uncosted Obligations by Appropriation and Fiscal Year
Appropriated and Reimbursable Activities
(dollars in thousands)

APPROPRIATION	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
ENERGY & WATER DEVELOPMENT							
Geothermal Resources Development Fund	313	46	46	46	46	25	25
Federal Energy Regulatory Commission	27,442	13,712	9,031	8,843	4,524	8,797	3,883
Science	316,122	195,876	176,064	511,595	626,345	668,453	899,106
Energy Supply & Research Activities	1,992,333	1,429,033	1,157,372	478,232	497,308	484,259	481,174
Energy Supply & Research Activities - 98 Annual	0	0	0	111,359	14,116	4,704	2,880
Energy Supply & Research Activities - 99 Annual	0	0	0	0	88,336	13,085	4,133
Energy Supply & Research Activities - 00 Annual	0	0	0	0	0	117,865	20,274
Energy Supply & Research Activities - 99/00 2yr	0	0	0	0	28,898	6,474	2,384
Energy Supply & R&D - Reimb Work Non Fed	0	0	0	0	0	0	115,262
Uranium Supply & Enrichment Activities	104,786	67,254	36,627	4,469	0	0	0
Departmental Administration	62,412	59,352	40,704	49,575	56,094	63,136	56,396
Departmental Administration - 99/01 3yr	0	0	0	0	2,422	439	348
Working Capital Fund	0	0	1,571	13,234	7,695	10,946	15,280
Office of Inspector General	2,855	2,556	2,168	3,122	2,876	1,676	2,154
Weapons Activities	2,257,666	2,023,918	1,884,000	1,917,447	1,797,172	2,058,656	2,269,285
Weapons Activities - Civil COE	0	0	0	0	0	0	(262) New
Defense Env. Rest. & Waste Mgmt.	1,219,598	1,133,231	951,011	1,018,789	709,877	694,080	937,667
Defense Env. Rest. & Waste Mgmt. - 99/01 3yr	0	0	0	0	1,587	304	202
Defense Environmental Mgmt. Privatization	0	0	0	0	361,216	358,864	540,144
Non-Defense Environmental Management	0	0	0	98,477	81,501	66,041	58,063
Defense Nuclear Nonproliferation - 00/01 2 yr	0	0	0	0	0	7,512	1,500
Defense Nuclear Nonproliferation - 01/02 2 yr	0	0	0	0	0	0	29,845 New
Defense Nuclear Nonproliferation d/	0	0	0	0	0	0	443,157 New
Defense Facilities Closure Projects	0	0	0	91,720	103,701	107,774	182,249
Defense Facilities Closure Projects - 99/01 3yr	0	0	0	0	281	73	70
Office of the Administrator d/	0	0	0	0	0	0	3,661 New
Other Defense Activities	872,093	449,448	558,193	511,205	567,092	583,204	205,414
Other Defense Activities - 98/99 2yr	0	0	0	32,400	0	0	0
Other Defense Activities - 99/00 2yr	0	0	0	0	19,044	1	1
Southeastern Power Administration c/	266	504	369	57	300	143	292
Southeastern Power Administration - 2000 Annual c/	0	0	0	0	0	1,097	318
Southwestern Power Administration c/	13,417	7,082	6,705	8,732	11,467	11,701	9,537
Continuing Fund (SEPA) c/	0	0	0	0	2,431	981	0
Continuing Fund (SWPA) c/	0	0	0	2,991	3,416	3,416	0
Alaska Power Administration	3,557	4,441	3,349	13,336	8,491	16,648	16,595
Isotope Production & Distribution Fund	6,354	8,096	5,900	6,499	7,890	8,184	7,265
Colorado River Basins Fund a/ c/	6,271	8,238	22,159	7,623	6,593	9,186	5,715
Western Area Power Administration c/	129,479	90,767	99,918	87,778	68,871	75,076	94,154
WAPA - Emergency Fund c/	0	0	0	0	0	0	6,634 New
Falcon/Amistad Op. Fund (WAPA) c/	0	0	5	317	420	1	0
Nuclear Waste Fund	83,506	33,110	68,939	38,585	59,257	26,619	42,796
Nuclear Waste Fund - 2000 1yr	0	0	0	0	0	5,718	277
Uranium Facilities Maintenance & Remediation	0	0	0	0	0	0	138,468 New
Uranium Enrichment D&D Fund	73,331	25,707	28,167	47,819	48,682	101,335	0
Defense Nuclear Waste Disposal	(461)	19,656	22,162	4,256	2,663	8,427	8,573
Naval Reactors	0	0	0	0	0	0	93,416
Cerro Grande Fire Activities	0	0	0	0	0	87,012	234,313
TOTAL Energy & Water Development	7,171,340	5,572,027	5,074,460	5,068,506	5,190,612	5,611,912	6,932,648

U.S. DEPARTMENT OF ENERGY
Uncosted Obligations by Appropriation and Fiscal Year
Appropriated and Reimbursable Activities
(dollars in thousands)

APPROPRIATION	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
INTERIOR							
Fossil Energy Research & Development	377,680	291,758	219,354	221,284	255,262	288,635	352,068
Fossil Energy Research & Development - 98 Annual	0	0	0	0	0	4	0
Fossil Energy Research & Development - 99 Annual	0	0	0	0	99	38	0
Fossil Energy, Construction	751	54	0	0	0	0	0
Energy Conservation	676,803	338,938	410,676	318,617	338,036	370,661	418,964
Energy Information Administration	25,351	20,462	15,494	14,080	18,828	20,174	20,935
Economic Regulatory Administration	2,443	1,477	695	335	172	236	195
Strategic Petroleum Reserve	85,829	120,988	121,393	98,216	57,562	51,006	49,038
Naval Petroleum & Oil Shale Reserves	92,375	75,917	51,277	49,692	29,503	24,493	18,344
SPR Petroleum Account	3,116	2,359	2,369	2,467	2,496	3,495	6,192
Northeast Home Heating Oil Reserve Account	0	0	0	0	0	0	4,140 New
Emergency Preparedness	1,618	867	398	209	109	55	43
Clean Coal Technology	404,046	199,605	290,257	409,251	378,178	312,818	232,660
Energy Security Reserves & Alternate Fuels Prod	9,879	9,858	9,855	9,788	9,787	9,806	9,452
TOTAL Interior	1,679,891	1,062,283	1,121,768	1,123,939	1,090,032	1,081,421	1,112,031
TOTAL Other b/	17,836	11,722	9,487	6,234	4,364	4,480	30,538
TOTAL DEPARTMENT OF ENERGY	8,869,067	6,646,032	6,205,715	6,198,679	6,285,008	6,697,813	8,075,217

Footnotes:

a/ Uncosted revolving fund balances

b/ Other consists of expired appropriations, Payments to States under Federal Power Act, Trust Fund Advances for Co-Sponsored Work, Gifts, Donations and Bequests, and Transfer Appropriations.

c/ FY 2000 balances taken from Year-end PMA Uncosted submissions.

d/ These appropriations were new in FY 2001. Defense Nuclear Nonproliferation and Office of the Administrator received beginning carryover balances from existing accounts such as Other Defense Activities, Nuclear Nonproliferation and Weapons Activities in the amounts of \$443.1 million and \$3.6 million respectively.

General Notes:

All amounts include the cost side of reimbursable work, and exclude the collection side of reimbursable work.

U.S. DEPARTMENT OF ENERGY
Uncosted Obligations Comparison of FY 2000 to FY 2001
Appropriated and Reimbursable Activities
(dollars in thousands)

APPROPRIATION	2000 Total Uncosted	Increase/ (Decrease)	2001 Total Uncosted
ENERGY & WATER DEVELOPMENT			
Geothermal Resources Development Fund	25	0	25
Federal Energy Regulatory Commission	8,797	(4,914)	3,883
Science	668,453	230,653	899,106
Energy Supply & Research Activities	484,259	(3,085)	481,174
Energy Supply & Research Activities - 98 Annual	4,704	(1,824)	2,880
Energy Supply & Research Activities - 99 Annual	13,085	(8,952)	4,133
Energy Supply & Research Activities - 00 Annual	117,865	(97,591)	20,274
Energy Supply & Research Activities - 99/00 2yr	6,474	(4,090)	2,384
Energy Supply - Reimbursable Work Non Federal	0	115,262	115,262
Departmental Administration	63,136	(6,740)	56,396
Departmental Administration - 99/01 3yr	439	(91)	348
Working Capital Fund	10,946	4,334	15,280
Office of Inspector General	1,676	478	2,154
Weapons Activities	2,058,656	210,629	2,269,285
Weapons Activities - Civil COE	0	(262)	(262) New
Defense Env. Rest. & Waste Mgmt.	694,080	243,587	937,667
Defense Env. Rest. & Waste Mgmt. - 99/01 3yr	304	(102)	202
Defense Environmental Mgmt. Privatization	358,864	181,280	540,144
Non-Defense Environmental Management	66,041	(7,978)	58,063
Defense Nuclear Nonproliferation - 00/01 2yr	7,512	(6,012)	1,500
Defense Nuclear Nonproliferation - 01/02 2yr	0	29,845	29,845 New
Defense Nuclear Nonproliferation d/	0	443,157	443,157 New
Defense Facilities Closure Projects	107,774	74,475	182,249
Defense Facilities Closure Projects - 99/01 3yr	73	(3)	70
Other Defense Activities	583,204	(377,790)	205,414
Other Defense Activities - 99/00 2yr	1	0	1
Office of the Administrator d/	0	3,661	3,661 New
Southeastern Power Administration	143	149	292
Southeastern Power Administration - 2000 Annual	1,097	(779)	318
Southwestern Power Administration	11,701	(2,164)	9,537
Continuing Fund (SEPA)	981	(981)	0
Continuing Fund (SWPA)	3,416	(3,416)	0
Alaska Power Administration	16,648	(53)	16,595
Isotope Production & Distribution Fund a/	8,184	(919)	7,265
Colorado River Basins Fund a/ c/	9,186	(3,471)	5,715
Western Area Power Administration	75,076	19,078	94,154
Western Area Emergency Fund	0	6,634	6,634 New
Falcon/Amistad Op. Fund (WAPA) c/	1	(1)	0
Nuclear Waste Fund	26,619	16,177	42,796
Nuclear waste Fund - 2000 1yr	5,718	(5,441)	277
Uranium Enrichment D&D Fund	101,335	(101,335)	0
Uranium Facilities Maintenance & Remediation	0	138,468	138,468 New
Defense Nuclear Waste Disposal	8,427	146	8,573
Naval Reactors	0	93,416	93,416 New
Cerro Grande Fire Activities	87,012	147,301	234,313
TOTAL Energy & Water Development	Char 61,912	1,320,736	6,932,648

U.S. DEPARTMENT OF ENERGY
Uncosted Obligations Comparison of FY 2000 to FY 2001
Appropriated and Reimbursable Activities
(dollars in thousands)

APPROPRIATION	2000 Total Uncosted	Increase/ (Decrease)	2001 Total Uncosted
INTERIOR			
Fossil Energy Research & Development	288,635	63,433	352,068
Fossil Energy Research & Development - 98 Annual	4	(4)	0
Fossil Energy Research & Development - 99 Annual	38	(38)	0
Fossil Energy Construction	0	0	0
Energy Conservation	370,661	48,303	418,964
Energy Information Administration	20,174	761	20,935
Economic Regulatory Administration	236	(41)	195
Strategic Petroleum Reserve	51,006	(1,968)	49,038
Naval Petroleum & Oil Shale Reserves	24,493	(6,149)	18,344
SPR Petroleum Account	3,495	2,697	6,192
Northeast Home Heating Oil Reserve Account	0	4,140	4,140 New
Emergency Preparedness	55	(12)	43
Clean Coal Technology	312,818	(80,158)	232,660
Energy Security Reserves & Alternate Fuels Prod	9,806	(354)	9,452
TOTAL Interior	1,081,421	30,610	1,112,031
TOTAL Other b/	4480	26,058	30,538
TOTAL DEPARTMENT OF ENERGY	6,697,813	1,377,404	8,075,217

Footnotes:

a/ Uncosted revolving fund balances

b/ Other consists of expired appropriations, Payments to States under Federal Power Act, and Trust Fund Advances for Co-Sponsored Work, Gifts, Donations and Bequests, and Transfer Appropriations.

c/ FY 2000 balances taken from Year-end PMA Uncosted submissions.

d/ These appropriations were new in FY 2001. Defense Nuclear Nonproliferation and Office of the Administrator received beginning carryover balances from existing accounts such as Other Defense Activities, Nuclear Nonproliferation and Weapons Activities in the amounts of \$443.1 million and \$3.6 million respectively.

U.S. DEPARTMENT OF ENERGY
Uncosted Obligations Threshold Analysis by Appropriation
Appropriated and Reimbursable Activities
(dollars in thousands)

APPROPRIATION	2001 Total Uncosted	Uncosted Threshold	Variance Net
ENERGY & WATER DEVELOPMENT			
Geothermal Resources Development Fund	25	25	0
Federal Energy Regulatory Commission	3,883	30,733	(26,850)
Science	899,106	984,259	(85,153)
Energy Supply & Research Activities	481,174	438,681	42,493
Energy Supply & Research Activities - 98 Annual	2,880	2,145	735
Energy Supply & Research Activities - 99 Annual	4,133	2,562	1,571
Energy Supply & Research Activities - 00 Annual	20,274	25,425	(5,151)
Energy Supply & Research Activities - 99/00 2yr	2,384	1,258	1,126
Energy Supply - Reimbursable Work Non Federal	115,262	115,262	0
Departmental Administration	56,396	63,257	(6,861)
Departmental Administration - 99/01 3yr	348	90	258
Working Capital Fund	15,280	15,838	(558)
Office of Inspector General	2,154	5,854	(3,700)
Weapons Activities	2,269,285	2,301,171	(31,886)
Weapons Activities - Civil COE	(262)	(158)	(104)
Defense Env. Rest. & Waste Mgmt.	937,667	1,084,791	(147,124)
Defense Env. Rest. & Waste Mgmt. - 99/01 3yr	202	34	168
Defense Environmental Mgmt. Privatization	540,144	540,144	0
Non-Defense Environmental Management	58,063	60,376	(2,313)
Defense Nuclear Nonproliferation - 00/01 2yr	1,500	2,366	(866)
Defense Nuclear Nonproliferation - 01/02 2yr	29,845	4,828	25,017
Defense Nuclear Nonproliferation <i>d/</i>	443,157	205,343	237,814 *
Defense Facilities Closure Projects	182,249	198,367	(16,118)
Defense Facilities Closure Projects - 99/01 3yr	70	9	61
Other Defense Activities	205,414	159,254	46,160
Other Defense Activities - 99/00 2yr	1	0	1
Office of the Administrator <i>d/</i>	3,661	1,729	1,932
Southeastern Power Administration	292	6,724	(6,432)
Southeastern Power Administration - 2000 Annual	318	186	132
Southwestern Power Administration	9,537	11,425	(1,888)
Continuing Fund (SEPA)	0	1,707	(1,707)
Alaska Power Administration	16,595	0	16,595
Isotope Production & Distribution Fund <i>a/</i>	7,265	0	7,265
Colorado River Basins Fund <i>a/ c/</i>	5,715	5,715	0
Western Area Power Administration	94,154	98,369	(4,215)
WAPA Emergency Fund	6,634	7,325	(691)
Nuclear Waste Fund	42,796	36,604	6,192
Nuclear waste Fund - 2000 1yr	277	0	277
Uranium Facilities Maintenance & Remediation	138,468	72,398	66,070 *
Defense Nuclear Waste Disposal	8,573	31,604	(23,031)
Naval Reactors	93,416	158,838	(65,422)
Cerro Grande Fire Activities	234,313	138,581	95,732 *
TOTAL Energy & Water Development	6,932,648	6,813,119	119,529

* *Justifications for these over threshold amounts are provided starting on page 5 of this report*

U.S. DEPARTMENT OF ENERGY
Uncosted Obligations Threshold Analysis by Appropriation
Appropriated and Reimbursable Activities
(dollars in thousands)

APPROPRIATION	2001 Total Uncosted	Uncosted Threshold	Variance Net
INTERIOR			
Fossil Energy Research & Development	352,068	274,912	77,156 *
Energy Conservation	418,964	339,570	79,394 *
Energy Information Administration	20,935		20,935
Economic Regulatory Administration	195	353	(158)
Strategic Petroleum Reserve	49,038	27,628	21,410
Naval Petroleum & Oil Shale Reserves	18,344	6,935	11,409
SPR Petroleum Account	6,192	1,587	4,605
Northeast Home Heating Oil Reserve Account	4,140		4,140
Emergency Preparedness	43	8	35
Clean Coal Technology	232,660	233,084	(424)
Energy Security Reserves & Alternate Fuels Prod	9,452	1,670	7,782
TOTAL Interior	1,112,031	610,835	226,284
TOTAL Other b/	30,538	30,538	0
TOTAL DEPARTMENT OF ENERGY	8,075,217	7,454,492	345,813

*** Justifications for these over threshold amounts are provided starting on page 5 of this report**

a/ Uncosted revolving fund balances

b/ Other consists of expired appropriations, Payments to States under Federal Power Act, and Trust Fund

Advances for Co-Sponsored Work, Gifts, Donations and Bequests, and Transfer Appropriations.

c/ FY 2000 balances taken from Year-end PMA Uncosted submissions.

d/ These appropriations were new in FY 2001. Defense Nuclear Nonproliferation and Office of the Administrator received beginning carryover balances from existing accounts such as Other Defense Activities, Nuclear Nonproliferation and Weapons Activities in the amounts of \$443.1 million and \$3.6 million respectively.

General Notes:

1) It is important to note that the variances presented in this chart are "NET" variances at the appropriation level which have been summarized based on detailed analyses performed at individual Field elements. The detailed analyses calculate thresholds at the 4th digit of the Department's Budget and Reporting Classification and as such, specific field element variances may actually contain a combination of overages and underages to arrive at a net Departmental figure.

2) Threshold amounts for reimbursable work, Line item construction, EM Privatization and some Grants, and Cooperative agreements are set at 100% as these activities inherently display a higher level of uncosted balances with minimal control and therefore do not lend themselves to threshold analysis. Other Departmental efforts monitor and address uncosted balances for these activities.

U.S. DEPARTMENT OF ENERGY
Unobligated Balances
Appropriated Balances Only**
(dollars in thousands)

APPROPRIATION	FY 2001 Total Obligational Authority (TOA)	End of Year FY 2001 Unobligated Balance
ENERGY & WATER DEVELOPMENT		
Geothermal Resources Development Fund	22	21
Federal Energy Regulatory Commission	179,099	8,385
Science	3,228,583	8,942
Energy Supply & Research Activities	658,976	10,752
Departmental Administration	250,704	39,361
Departmental Administration - 99/01 3yr	852	0
Working Capital Fund	87,869	9,521
Office of Inspector General	33,047	282
Weapons Activities	5,179,394	24,483
Defense Env. Rest. & Waste Mgmt.	5,130,834	35,384
Defense Env. Rest. & Waste Mgmt. - 99/01 3yr	737	0
Defense Environmental Mgmt. Privatization	260,791	33,578
Non-Defense Environmental Management	288,342	2,146
Defense Nuclear Nonproliferation	1,041,402	222,948 *
Defense Nuclear Nonproliferation - 00/01 2 yr	10,648	0
Defense Nuclear Nonproliferation - 01/02 2 yr	37,500	868
Office of the Administrator	9,978	417
Defense Facilities Closure Projects	1,102,964	1,718
Naval Reactors	689,486	1,266
Defense Facilities Closure Projects - 99/01 3yr	40	0
Other Defense Activities	642,742	41,252
Southeastern Power Administration	39,587	231
Southwestern Power Administration	29,359	379
Continuing Fund (SEPA)	13,000	50
Continuing Fund (SWPA)	1,950	300
Alaska Power Administration	143	195
Isotope Production & Distribution Fund <i>a/</i>	35,786	4,674
Colorado River Basins Fund <i>a/</i>	430,286	54,156 *
Western Area Power Administration	242,003	10,492
Western Area Emergency Fund	78,300	500
Falcon/Amistad Op. Fund (WAPA)	2,827	168
Nuclear Waste Disposal	0	7,772
Nuclear Waste Fund	193,247	0
Uranium Facilities Maintenance & Remediation	414,276	20,188
Defense Nuclear Waste Disposal	209,726	0
Cerro Grande Fire Activities	203,013	0
TOTAL Energy & Water Development	20,727,513	540,429

U.S. DEPARTMENT OF ENERGY
Unobligated Balances
Appropriated Balances Only**
(dollars in thousands)

APPROPRIATION	FY 2001 Total Obligational Authority (TOA)	End of Year FY 2001 Unobligated Balance
INTERIOR		
Fossil Energy Research & Development	568,318	124,799 *
Fossil Energy, Construction	199	199
Energy Conservation	847,918	23,940
Energy Information Administration	78,379	3,058
Economic Regulatory Administration	2,183	342
Strategic Petroleum Reserve	190,211	41,428 *
Naval Petroleum & Oil Shale Reserves	33,848	16,541
Elk Hills School Land Fund	3,600	0
SPR Petroleum Account	16,213	9,401
Emergency Preparedness	74	82
Clean Coal Technology	335,177	319,377 *
Energy Security Reserves & Alternate Fuels Prod	1,961	1,941
Northeast Home Heating Oil Reserve	8,000	3,860
TOTAL Interior	2,086,081	544,968
<hr/>		
TOTAL Other b/	1,350	0
<hr/>		
TOTAL DEPARTMENT OF ENERGY	22,814,944	1,085,397

** Summary explanations for the level of unobligated balances for these appropriations are included starting on Page 7 of this report.*

**** This chart excludes reimbursable work funding since unobligated balances for reimbursable work represent funds appropriated to other Federal agencies and are not available to offset Department of Energy appropriations.**

Footnotes:

a/ Unobligated revolving fund balances

U.S. DEPARTMENT OF ENERGY

Use of Prior Year Balances

As of April 10, 2002

(dollars in thousands)

	FY 2000 Use of Prior Year Balances	FY 2001 Use of Prior Year Balances
Energy Supply Research & Development	\$1,570	\$520
Non-Defense Environmental management	7,587	1,919
Departmental Administration	16,183	8,194
Weapons Activities	20,668	13,647
Defense Env. Restoration and Waste Mgmt.	6,076	47,784
Defense Environmental Mgmt. Privatization	44,000	25,092
Defense Nuclear Nonproliferation		526
Other Defense Activities	50,915	4,700
Southeastern Power Administration	3,000	1,100
Southwestern Power Administration	0	900
Western Area Power Administration	20,000	5,983
Geothermal Res. Dev. Fund	0	0
Naval Petroleum & Oil Shale Reserves	24,740	25,050
Fossil Energy Research and Development	0	4,350
TOTAL	\$194,739	\$139,765

NOTE: Prior Year Balances may include unobligated balances as well as obligations that have not yet been costed.