



Department of Energy

Washington, DC 20585

MAR 21 2002

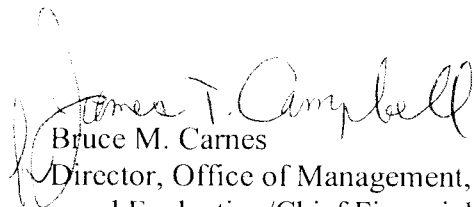
The Honorable Charles H. Taylor
Chairman, Subcommittee on Interior
and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

As required by the Energy Policy Act of 1992 (P.L. 102-486), enclosed is the Department of Energy's Report on Carryover Balances for the Fiscal Year ended 2002. The report presents the results of the Department's analysis of Fiscal Year 2002 uncosted obligation balances. Our analysis indicates that, despite increased funding in key programs and a commensurate rise in uncosted balances for Fiscal Year 2002, the overall level of these balances remains consistent with sound financial management.

If you have any questions regarding this report, please feel free to contact Ms. Terri Lee, Associate Director, Office of External Coordination at (202) 586-8945.

Sincerely,


Bruce M. Carnes
Director, Office of Management, Budget
and Evaluation/Chief Financial Officer

Enclosure

cc:

The Honorable Norman Dicks
Ranking Minority Member



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Department of Energy

Washington, DC 20585

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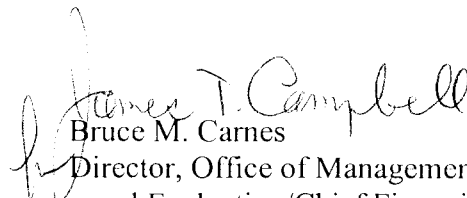
The Honorable Pete V. Domenici
Chairman, Subcommittee on Energy and
Water Development
Committee on Appropriations
United States Senate
Washington, DC 20510

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The Honorable Harry Reid
Ranking Minority Member



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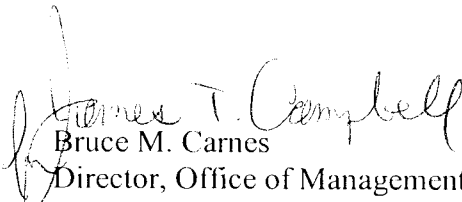
The Honorable David L. Hobson
Chairman, Subcommittee on Energy and
Water Development
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

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Director, Office of Management, Budget
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Enclosure

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The Honorable Peter J. Visclosky
Ranking Minority Member



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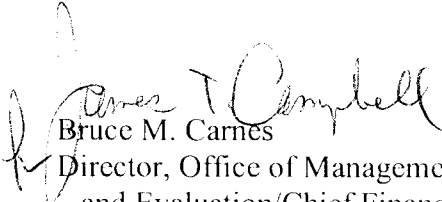
The Honorable Conrad Burns
Chairman, Subcommittee on Interior
And Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

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Bruce M. Carnes
Director, Office of Management, Budget
and Evaluation/Chief Financial Officer

Enclosure

cc:

The Honorable Byron L. Dorgan
Ranking Minority Member



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U.S. DEPARTMENT OF ENERGY

Report on Carryover Balances For Fiscal Year Ending September 30, 2002



March 2003

Prepared by: Office of Management, Budget & Evaluation

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- Chart 3 FY 2002 Uncosted Obligations Threshold Analysis by Appropriation
- Chart 4 Department of Energy Use of Prior Year Balances

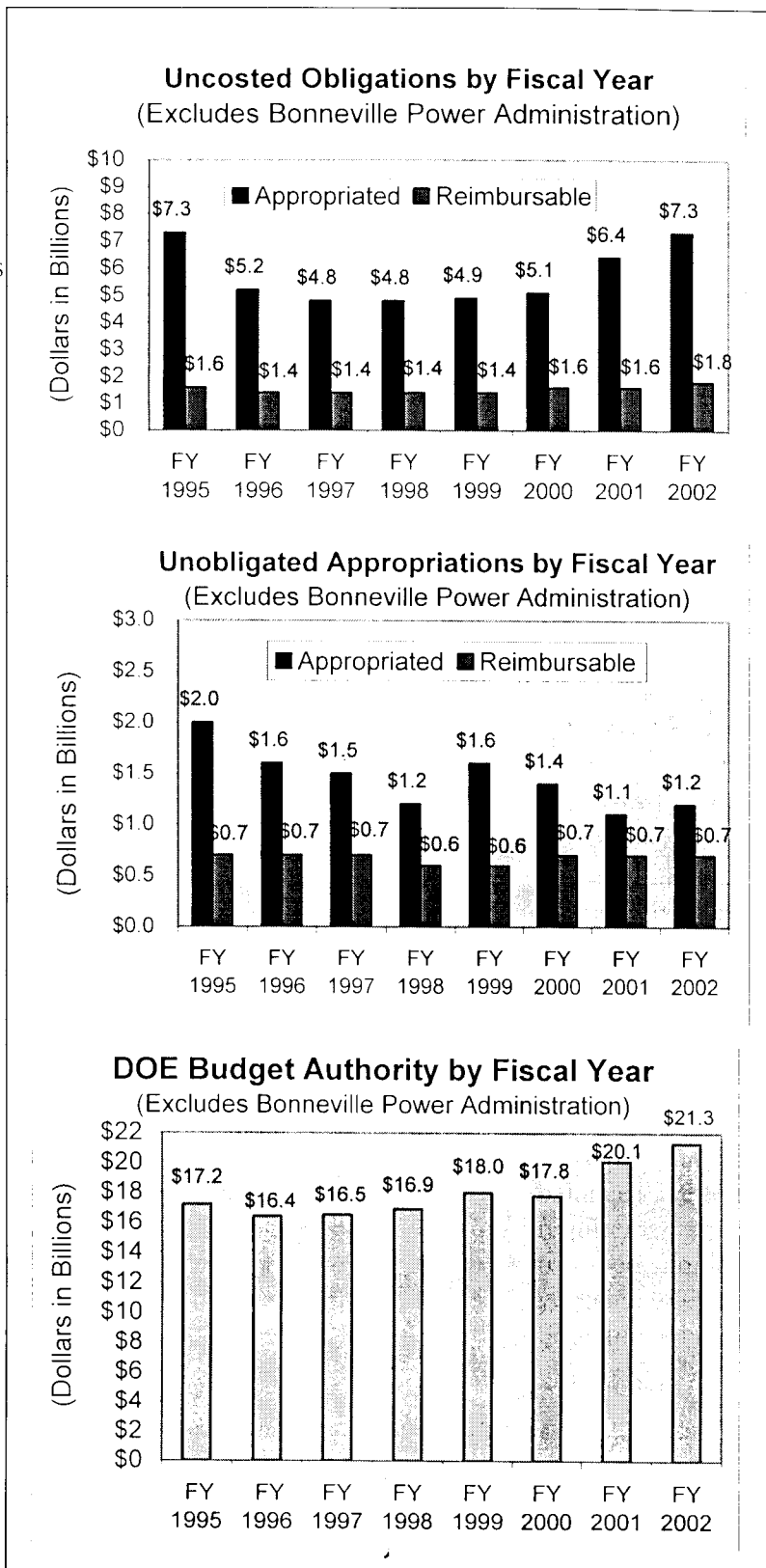
SUMMARY OF ANALYSIS

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 of Energy (DOE) to submit an annual report to Congress on the status of its uncosted obligations (obligations recorded for specific deliverables that are not yet completed and accepted). This is the eleventh annual submission of that report.

The analysis presented in this report indicates that the Department continues to maintain uncosted balances at a level that is consistent with sound financial management.

As Exhibit 1 shows, the Department's uncosted obligations have increased significantly in fiscal years (FY) 2001 and 2002 after remaining relatively constant from 1996 to 2000. This upward trend is consistent with funding increases over the last two years in areas that inherently display higher levels of uncosted balances. In FY 2002, appropriated uncosted balances increased by \$0.9 billion over FY 2001 levels. This increase was driven by a number of factors including: 1) A \$1.2 billion increase in total budget authority. Areas of increased funding included: National Nuclear Security Administration facility and infrastructure start-up programs, Environmental Management, Energy Conservation, and Weapons Activities and other nonproliferation programs. Much of the funding in these areas is related to construction type activities that inherently display higher balances due to up-front funding requirements. The Department also received supplemental funding late in the year due to events surrounding the September 11 attacks, which did not allow time for full costing before year-end. 2) A general increase in balances for privatization initiatives also was received which provide up-front funding for construction of major cleanup and waste disposal facilities. Uncosted balances in this area are expected to be significant as

Exhibit 1



funds are held until the required facilities are constructed and operational. 3) General increases in the Department's grant programs were received, specifically in Energy Conservation, which had a 44% increase in budget authority. 4) Delayed costing patterns were experienced in certain arms control and nonproliferation programs such as the Nuclear Cities Initiative (NCI) and Initiatives for Proliferation Prevention (IPP) due to difficulties in negotiating agreements with the Former Soviet Union (FSU), as well as the multi-year nature of the work.

In addition to monitoring overall trends in uncosted obligations, the Department analyzes individual appropriation balances against established thresholds (or targets) that 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 analyzed and justified to ensure they remain consistent with sound financial management and overall funding needs. In FY 2002, DOE uncosted obligations were a net \$469 million above the established Departmental threshold. The primary driver for this over-threshold amount was the Defense Nuclear Nonproliferation appropriations, which account for over \$459 million of the amount. These appropriations support the International Nuclear Materials Protection, Control and Accounting Program (MPC&A), IPP, and NCI programs. As noted earlier, these programs display higher balances due to difficulties in negotiating with the FSU and the multi-year nature of the work. Contracts under these programs require full up-front funding and payments are not made until key deliverables are completed and accepted. These contracting mechanisms contribute to inherently higher uncosted balances. The threshold analysis beginning on page 7 of this report provides further detail on these activities.

After considering the effect of the increase in total budget authority and the justification for the Defense Nuclear Nonproliferation appropriations, we believe the Department continues to maintain uncosted 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 improved ways to better manage these balances.

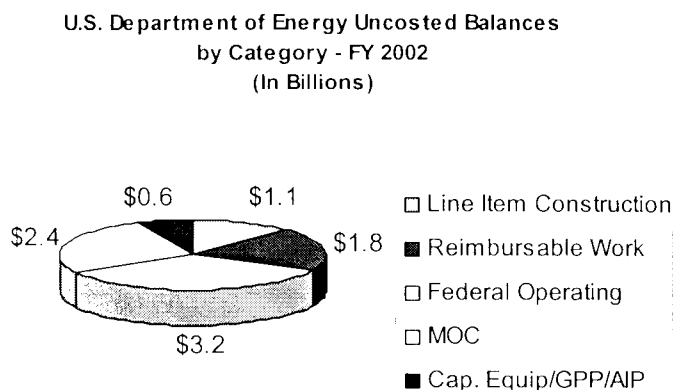
The Department also has maintained unobligated balances at a fairly constant level despite significant increases in budget authority, which further demonstrates the Department's commitment to reducing excess balances rather than recategorizing them.

Finally, the Department utilized approximately \$140 million of carryover balances to offset programmatic costs in FY 2001 and an additional \$231 million in FY 2002. (See Chart 4) Effective use of available balances helps provide continuity of Departmental operations and ensures that these balances continue to be right-sized.

Composition of FY 2002 Year End Uncosted Obligations

Exhibit 2 presents the composition of the Department's \$9.1 billion uncosted balance as of September 30, 2002. Of this amount, \$1.8 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 \$1.1 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.

Exhibit 2



Six hundred million dollars of the total uncosted balance is related to Capital Equipment, General Plant Projects (GPP) and Accelerator Improvement Projects (AIP). Another \$2.4 billion is attributed to uncosted balances arising from the operating activities of the Department's Major Operating Contractors (MOC). The final \$3.2 billion results from Federal operating activities not related to the other categories.

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. DOE maintains a cost-based accounting system, consistent with Office of Management and Budget (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 did not have a standard, effective approach for identifying excess carryover balances that might be available to reduce future budget requests. Instead it relied on broad estimates of potentially excess balances in its individual programs. As a result, GAO indicated that DOE could not be sure whether the amount of carryover balances proposed for use by its programs was 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
Contractor Operating Costs: This category includes costs incurred by MOCs that manage Departmental sites.	13% of the Total Funds Available to Cost (TAC) for contractor operating activities for the fiscal year just ended.
Capital Equipment, GPP & AIP: Capital equipment that meets the accounting criteria for capitalization. GPP and AIP are grouped in this category because they share similar costing patterns.	50% of the TAC for capital equipment, GPP and AIP respectively for the fiscal year just ended.
Federal Operating Costs: Federal operating costs not related to MOCs or other identified categories.	17% of the TAC for Federal Operating activities for the fiscal year just ended.
Line Item Construction <ul style="list-style-type: none"> • Grants • Cooperative Research and Development Agreements and other Cooperative Agreements • Reimbursable Work • Environmental Management Privatization 	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)

The analysis process requires that all Departmental elements (Headquarters organizations, Field organizations, and MOCs) review their respective uncosted balances against the above thresholds and report the results. Each element arrays their uncosted balances in a standard format that 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 that 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 previous GAO reviewing of DOE 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 2002 shows that the Department as a whole is \$469 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 \$469 million variance at the Departmental level. Exhibit 4 provides detail on five appropriations that exceeded individual thresholds and had the most significant impact on the Department's overall variance. Justifications for balances in each of those appropriations have been included below.

Exhibit 4

Appropriation	FY 2002 Ending Uncosted Balance	FY 2002 Threshold Amount	Amount Over-threshold/ Variance	Percent Variance
89X0309 Defense Nuclear Nonproliferation	\$610.1M	255.5M	\$354.6M	139%
892/30309 Defense Nuclear Nonproliferation	\$122.5M	\$16.6M	\$105.9M	638%
89X0315 Uranium Facilities Maintenance and Remediation	\$151.4M	\$91.5M	\$59.9M	65%
89X0213 Fossil Energy Research & Development	\$395.4M	\$279.4M	\$115.9M	41%
89X0215 Energy Conservation	\$556.0M	\$478.9M	\$77.1M	16%

EXPLANATION OF SIGNIFICANT THRESHOLD VARIANCES:

Energy and Water Development Appropriations

Appropriation 89X0309, Defense Nuclear Nonproliferation - Exceeds the appropriation threshold by a net amount of \$354.6 million, primarily due to the MPC&A, Russian Transition Initiative, and Fissile Materials Disposition programs. The MPC&A program is working to upgrade physical security at 105 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 FSU. Many of these agreements are multi-year in nature and require up-front funding, leaving uncosted balances in the initial years of the contract since portions of the work are scheduled for subsequent years. 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. Also, receipt of supplemental funding late in the fiscal year further increased uncosted balances. All MPC&A uncosted balances are either committed in legal contracts between DOE laboratories and the Russians/private sector where funds are for work underway but not yet costed or under active negotiation of new or follow-on contracts. These funds are still necessary to achieve the programmatic activities for which they were originally appropriated. Acceleration on new program starts in Strategic Rocket Forces, Radiological Dispersion Devices, and Second Line of Defense will draw down these balances. Over the course of the next two fiscal years (FY 2003 and FY 2004) the percentage of uncosted balances are estimated to return to the historical five year level for Defense Nuclear Nonproliferation programs (32%), a drop of 20% from FY 2002. This estimate assumes costs will occur at the FY 2001 rate with a 5% improvement each year thereafter.

Balances that exceed thresholds within the Russian Transition Initiative program, as with the MPC&A program, are due largely to the way the programs conduct business with the FSU. Many of the contracts are for multi-year projects that require full up-front funding and payments cannot be made until specified deliverables are completed and accepted. In addition, receipt of supplemental funding late in the fiscal year, post 9-11 travel restrictions and visa procedures further increased uncosted balances. 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 the Administration's review of the plutonium disposition program, which was not completed until early in FY 2002. During this period, work on the Russian program was significantly delayed. While the U.S. program is on schedule, the Congressional mandate requiring parallelism in the U.S. and Russian programs may cause the U.S. program to be delayed in order to allow the Russian program to catch up. The recent decision by Russia to use the Mixed Oxide Facility will greatly accelerate the Russian disposition effort, save money and time, and help to ensure parallelism. The exact timing cannot be determined until detailed technical discussions take place with the Russians. The uncosted balance remains necessary to achieve the programmatic activities for which they were originally appropriated.

Appropriation 892/30309, Defense Nuclear Nonproliferation (2 year) - Exceeds the appropriation threshold by a net amount of \$105.9 million. Of this total, \$76 million is related to supplemental funding received in the last quarter of the fiscal year. The remaining \$30 million is

related to funding transferred from the Department of State, also not received until August 2002. This appropriation supports the MPC&A, Nonproliferation and International Security, and the Nuclear Safety and Emergency Cooperation programs. Along with the late receipt of funding, the major driver for these balances is the multi-year nature of the work. Funds are typically obligated during the first year of availability with expectations of the deliverables being completed and accepted over several years, resulting in higher than normal uncosted balances. Also, as noted earlier, these programs display higher balances due to difficulties in negotiating with the FSU. These balances remain necessary for the programmatic activities for which they were originally appropriated.

Appropriation 89X0315, Uranium Facilities Maintenance & Remediation - Exceeds the appropriation threshold by a net amount of \$59.9 million. The major drivers for the amount over-threshold are: 1) late award of a contract to construct two facilities to convert depleted uranium hexafluoride (DUF6) for disposal and/or reuse. The award was delayed by the enactment of a law by Congress mandating the construction of the two facilities. Award was made in August 2002. 2) Delayed resolution pending completion of on-going negotiations over appropriate funding sources and final approval of Memorandum of Agreement (MOA) with United States Enrichment Corporation (USEC), which defined the Department's final liability amount. The MOA was finalized in late June. Due to the late resolution of these issues, full costing could not occur in FY 2002. 3) Delayed costing related to the incompleteness of various stages of a deliverable-based decontamination and decommissioning contract. In addition, recent fires also contributed to delays in the shipping of waste, further preventing the completion of deliverables. Work and costing for this contract should be on track in FY 2003. These balances remain necessary for the programmatic activities for which they were originally appropriated.

Interior Appropriations

Appropriation 89X0213, Fossil Energy Research and Development - Exceeds the appropriation threshold by a net amount of \$ 115.9 million. The following items are the primary drivers for the over-threshold amount: 1) a series of continuing resolutions in FY 2002 limiting the availability of funds early in the year and constricting competitive soliciting by the programs, which results in delays in obligations and subsequent costing; 2) the use of various cost shared research and development contracts which require advance funding for multi-year work, wherein 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 \$77.1 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 that 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 that 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 circumstances. 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 also implemented a major reorganization for the purpose of improving program management. The new management processes 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.

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

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
ENERGY & WATER DEVELOPMENT							
Geothermal Resources Development Fund	45	45	45	45	25	25	9
Federal Energy Regulatory Commission	13,712	9,031	8,843	4,524	8,757	3,883	5,126
Science	158,876	176,054	511,655	528,345	589,453	695,138	734,972
Energy Supply & Research Activities	1,425,033	1,157,372	479,232	497,338	484,232	481,474	531,107
Energy Supply & Research Activities - 98 Annual			111,359	14,115	4,704	2,890	1,406
Energy Supply & Research Activities - 99 Annual				88,236	10,095	4,120	2,935
Energy Supply & Research Activities - 00 Annual						20,374	4,263
Energy Supply & Research Activities - 99 00 2yr						2,384	1,188
Energy Supply & Research Activities - Non Fed				28,998	544	115,352	157,005
Uranium Supply & Enrichment Activities	87,254	36,627	4,469				
Departmental Administration	55,262	40,704	45,575	55,054	63,138	55,056	65,215
Departmental Administration - 99 01 3yr				2,422	425	349	303
Working Capital Fund	2,555	1,571	13,234	7,526	10,846	15,280	15,511
Office of Inspector General	2,023,918	1,884,000	1,917,447	2,378	1,675	2,254	846
Weapons Activities					2,082,658	2,255,295	2,485,204
Weapons Activities - 02 Annual							19,355
Weapons Activities - Civil COE							157
Defense Env. Rest. & Waste Mgmt.	1,133,231	951,011	1,018,789	705,977	694,090	937,957	1,055,955
Defense Env. Rest. & Waste Mgmt. - 99 01 3yr				1,597	304	232	190
Non-Defense Environmental Mgmt. Privatization				361,216	358,864	540,144	550,020
Non-Defense Environmental Management				81,501	95,041	98,053	95,874
Defense Nuclear Nonproliferation - 00 01 2 yr			58,477		7,512		
Defense Nuclear Nonproliferation - 01 02 2 yr						25,845	13,167
Defense Nuclear Nonproliferation - 02 03 2 yr							122,456
Defense Nuclear Nonproliferation						443,157	610,109
Defense Facilities Closure Projects			51,720	103,701	107,774	182,245	176,347
Defense Facilities Closure Projects - 99 01 3yr				281	73		10
Office of the Administrator						3,851	53,525
Other Defense Activities	445,442	559,193	511,205	567,052	583,204	205,414	215,235
Other Defense Activities - 02 Annual							5,495
Other Defense Activities - 99 99 2yr			32,400				
Other Defense Activities - 99 00 2yr			15,044				
Southeastern Power Administration c/	504	369	57	300	142	292	547
Southwestern Power Administration - 2000 Annual c/					1,057	379	
Contributing Fund (SEPA) c/	7,082	6,705	8,732	11,467	11,701	9,671	12,578
Contributing Fund (SWPA) c/							
Alaska Power Administration c/	4,441		2,991	3,416	3,416	16,595	799
Isotope Production & Distribution Fund a/	8,096	3,349	13,336	8,491	16,648	7,256	6,193
Colorado River Basins Fund a/ c/	8,238	5,900	6,499	7,890	8,184	7,256	13,090
Western Area Power Administration c/	90,767	22,159	7,623	9,223	9,186	5,717	7,195
WAPA - Emergency Fund c/		99,918	87,778	89,587	75,078	94,154	7,195
Falcon/Amstad Op. Fund (WAPA) c/						6,834	
Nuclear Waste Fund	33,110	68,939	39,595	55,257	25,519	42,751	43,751
Nuclear Waste Fund - 2000 1yr						277	198
Uranium Facilities Maintenance & Remediation					5,718	10,429	15,142
Uranium Enrichment D&D Fund	25,707	28,167	47,815	48,592	101,325		
Defense Nuclear Waste Disposal	13,655	22,162	4,263	2,663	9,427	8,570	7,503
Naval Reactors						50,416	100,495
Naval Reactors Fire Activities					87,012	234,242	457,194
TOTAL Energy & Water Development	5,572,027	5,074,450	5,068,508	5,273,544	5,931,512	5,922,549	7,733,591

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

APPROPRIATION	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
INTERIOR							
Fossil Energy Research & Development	251,758	219,354	227,284	255,252	289,635	352,352	355,355
Fossil Energy Research & Development - 99 Annual	C	C	C	C	4	C	C
Fossil Energy Research & Development - 99 Annual	C	C	C	59	39	C	C
Fossil Energy - Construction	54	C	C	C	C	C	C
Energy Conservation	339,939	410,676	318,517	369,036	370,591	419,952	553,026
Energy Information Administration	20,452	15,454	14,380	8,938	23,174	23,936	23,220
Economic Regulatory Administration	1,477	696	335	172	239	135	215
Strategic Petroleum Reserve	120,989	121,393	53,215	57,552	51,039	45,039	70,950
Naval Petroleum & Oil Shale Reserves	75,917	51,277	45,692	35,533	24,453	18,044	13,845
SPR Petroleum Account	2,355	2,369	2,467	2,456	3,456	6,152	7,391
Northeast Home Heating Oil Reserve Account	C	C	C	C	C	4,442	170
Emergency Preparedness	867	392	209	109	55	40	42
Clean Coal Technology	199,605	290,297	409,251	378,178	372,818	292,950	229,155
Energy Security Reserves & Alternate Fuels Prod	5,858	5,855	5,789	5,787	5,806	5,454	5,367
TOTAL Interior	1,052,252	1,121,768	1,123,935	1,090,032	1,081,421	1,112,031	1,364,729
TOTAL Other b/	11,722	9,487	6,204	4,364	4,480	30,532	31,750
TOTAL DEPARTMENT OF ENERGY	6,646,032	6,205,715	6,156,675	6,306,936	6,697,813	8,075,217	9,120,159

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 2002 balances taken from Year-end PMA Uncoated submissions

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 2001 to FY 2002
Appropriated and Reimbursable Activities
(dollars in thousands)

APPROPRIATION	2001 Total Uncosted	Increase/ (Decrease)	2002 Total Uncosted
ENERGY & WATER DEVELOPMENT			
Geothermal Resources Development Fund	25	(16)	9
Federal Energy Regulatory Commission	3,883	5,253	9,136
Science	899,106	150,766	1,049,872
Energy Supply & Research Activities	481,174	109,933	591,107
Energy Supply & Research Activities - 98 Annual	2,880	(1,474)	1,406
Energy Supply & Research Activities - 99 Annual	4,133	(1,194)	2,939
Energy Supply & Research Activities - 00 Annual	20,274	(16,011)	4,263
Energy Supply & Research Activities - 99/00 2yr	2,384	(1,198)	1,186
Energy Supply - Reimbursable Work Non Federal	115,262	443	115,705
Departmental Administration	56,396	8,820	65,216
Departmental Administration - 99/01 3yr	348	(45)	303
Working Capital Fund	15,280	231	15,511
Office of Inspector General	2,154	(1,308)	846
Weapons Activities	2,269,285	195,919	2,465,204
Weapons Activities - 02 Annual	0	18,365	18,365
Weapons Activities - Civil COE	(262)	105	(157)
Defense Env. Rest. & Waste Mgmt. - 99/01 3yr	937,667	128,289	1,065,956
Defense Environmental Mgmt. Privatization	202	(12)	190
Non-Defense Environmental Management	540,144	19,876	560,020
Defense Nuclear Nonproliferation - 00/01 2yr	58,063	(2,189)	55,874
Defense Nuclear Nonproliferation - 01/02 2yr	1,500	(1,500)	0
Defense Nuclear Nonproliferation - 02/03 2yr	29,845	(16,678)	13,167
Defense Facilities Closure Projects	443,157	122,466	565,623
Defense Facilities Closure Projects - 99/01 3yr	182,249	(5,902)	176,347
Office of the Administrator	3,661	(60)	3,601
Other Defense Activities	205,414	46,964	252,378
Other Defense Activities - 99/00 2yr	0	10,821	10,821
Other Defense Activities - 99/00 2yr	1	(1)	0
Southeastern Power Administration c/	292	255	547
Southwestern Power Administration c/	318	(318)	0
Alaska Power Administration c/	9,537	4,041	13,578
Isotope Production & Distribution Fund a/	16,595	(15,796)	799
Colorado River Basins Fund a/ c/	7,265	(1,067)	6,198
Western Area Power Administration c/	5,715	7,375	13,090
Western Emergency Fund c/	94,154	(22,969)	71,185
Falcons/Amistad Op. Fund (WAPA) c/	6,634	(6,634)	0
Nuclear Waste Fund	42,796	955	43,751
Nuclear Waste Fund - 2000 1yr	277	(119)	158
Uranium Facilities Maintenance & Remediation	138,468	12,952	151,420
Defense Nuclear Waste Disposal	8,573	(664)	7,909
Naval Reactors	93,416	7,049	100,465
Cerro Grande Fire Activities	234,313	(77,129)	157,184
TOTAL Energy & Water Development	6,932,648	851,033	7,783,681

U.S. DEPARTMENT OF ENERGY
Uncosted Obligations Comparison of FY 2001 to FY 2002
Appropriated and Reimbursable Activities
(dollars in thousands)

APPROPRIATION	2001 Total Uncosted	Increase/ (Decrease)	2002 Total Uncosted
INTERIOR			
Fossil Energy Research & Development	352,068	43,287	395,355
Energy Conservation	418,964	137,042	556,006
Energy Information Administration	20,935	2,265	23,200
Economic Regulatory Administration	195	21	216
Strategic Petroleum Reserve	49,038	21,852	70,890
Naval Petroleum & Oil Shale Reserves	18,344	(4,399)	13,945
SPR Petroleum Account	6,192	1,189	7,381
Northeast Home Heating Oil Reserve Account	4,140	(3,970)	170
Emergency Preparedness	43	0	43
Clean Coal Technology	232,660	(4,505)	228,155
Energy Security Reserves & Alternate Fuels Prod	9,452	(85)	9,367
TOTAL Interior	1,112,031	192,697	1,304,728
TOTAL Other b/	30538	1,212	31,750
TOTAL DEPARTMENT OF ENERGY	8,075,217	1,044,942	9,120,159

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 2002 balances taken from Year-end PMA Uncosted submissions.

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

APPROPRIATION	2002 Total Uncosted	Uncosted Threshold	Variance Net
ENERGY & WATER DEVELOPMENT			
Geothermal Resources Development Fund	9,136	33,695	24,459
Federal Energy Regulatory Commission	1,349,972	1,440,193	90,221
Science	591,107	538,986	52,121
Energy Supply & Research Activities	1,406	909	497
Energy Supply & Research Activities - 98 Annual	2,633	1,333	1,300
Energy Supply & Research Activities - 99 Annual	4,263	4,381	(118)
Energy Supply & Research Activities - 00 Annual	1,186	543	643
Energy Supply & Research Activities - 99 00 2yr	115,705	115,705	0
Energy Supply - Reimbursable Work Non Federal	65,216	97,470	(32,254)
Departmental Administration	303	55	247
Departmental Administration - 99 01 3yr	15,511	16,726	(1,215)
Working Capital Fund	346	5,852	(5,506)
Office of Inspector General	2,465,204	2,659,638	(194,434)
Weapons Activities	18,365	3,100	15,265
Weapons Activities-02 Annual	(157)	(178)	21
Weapons Activities - Civil COE	1,065,956	1,239,243	(173,287)
Defense Env. Rest. & Waste Mgmt. - 99 01 3yr	190	27	163
Defense Env. Rest. & Waste Mgmt. - 00 01 2yr	560,020	560,020	0
Defense Environmental Mgmt. Privatization	55,874	44,353	11,521
Non-Defense Environmental Management	610,109	255,536	354,573
Defense Nuclear Nonproliferation	0	195	(195)
Defense Nuclear Nonproliferation - 00 01 2yr	4,196	4,196	0
Defense Nuclear Nonproliferation - 01 02 2yr	13,157	16,592	(3,435)
Defense Nuclear Nonproliferation - 02 03 2yr	122,465	16,592	105,874
Defense Facilities Closure Projects	176,347	168,277	8,070
Defense Facilities Closure Projects - 99 01 3yr	10	1	9
Office of the Administrator	50,625	64,284	(13,659)
Other Defense Activities	215,235	171,574	44,661
Other Defense Activities - 02 Annual	5,485	4,728	757
Other Defense Activities - 99 00 2yr	0	2,139	(2,139)
Southeastern Power Administration c	547	6,739	(6,192)
Southwestern Power Administration c	13,579	12,853	726
Alaska Power Administration c	755	739	16
Isotope Production & Distribution Fund a	6,159	4,859	1,300
Colorado River Basins Fund a c	13,950	13,950	0
Western Area Power Administration c	71,185	83,968	(12,783)
Falcon Almidst Op Fund (WAPA) c	2	460	(458)
Nuclear Waste Fund	43,751	22,961	20,790
Nuclear Waste Fund - 2000 1yr	489	5	484
Uranium Facilities Maintenance & Remediation	151,420	91,505	59,915
Defense Nuclear Waste Disposal	7,939	45,215	(37,276)
Naval Reactors	100,465	167,602	(67,137)
Cerro Grande Fire Activities	157,184	11,121	146,063
TOTAL Energy & Water Development	7,783,681	7,379,377	404,304

* Justifications for these over threshold amounts are provided starting on page 6 of this report.

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

APPROPRIATION	2002 Total Uncosted	Uncosted Threshold	Variance Net
INTERIOR			
Fossil Energy Research & Development	395,355	279,359	115,996 *
Energy Conservation	556,206	479,916	77,290 *
Energy Information Administration	23,200	16,923	6,277
Economic Regulatory Administration	216	410	(194)
Strategic Petroleum Reserve	70,390	32,654	38,036
Naval Petroleum & Oil Shale Reserves	13,945	6,107	7,838
SPR Petroleum Account	7,381	1,352	6,019
Northeast Home Heating Oil Reserve Account	170	1,511	(1,441)
Emergency Preparedness	43	6	37
Clean Coal Technology	228,155	222,152	6,003
Energy Security Reserves & Alternate Fuels Prod	9,367	1,596	7,771
TOTAL Interior	1,304,728	751,837	263,522
TOTAL Other b/	31,750	30,538	1,212
TOTAL DEPARTMENT OF ENERGY	9,120,159	8,371,752	469,033

* Justifications for these over threshold amounts are provided starting on page 6 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 2002 balances taken from Year-end PMA Uncosted submissions

General Notes:

- 1) Threshold amounts for reimbursable work, Line item construction, EM Privatization and 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

U.S. DEPARTMENT OF ENERGY

Use of Prior Year Balances

(dollars in thousands)

	FY 2001 Use of Prior Year Balances	FY 2002 Use of Prior Year Balances
Departmental Administration	8,194	10,350
Weapons Activities	13,647	13,387
Defense Env. Restoration and Waste Mgmt.	47,784	69,147
Defense Nuclear Nonproliferation	526	57,833
Other Defense Activities	4,700	20,000
Uranium Facilities Maintenance and Remediation	0	5,000
Naval Petroleum & Oil Shale Reserves	25,050	12,255
Energy Supply & Research Development	520	0
Non-Defense Environmental Management	1,919	0
Defense Environmental Mgmt. Privatization	25,092	0
Southeastern Power Administration	1,100	0
Southwestern Power Administration	900	0
Western Power Administration	5,983	0
Fossil Energy Research and Development	4,350	43,150
TOTAL	\$139,765	\$231,122

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

Source: Office of Management, Budget, and Evaluation/CFO, Office of Budget, 12/12/02.