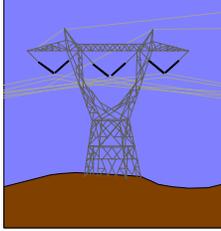


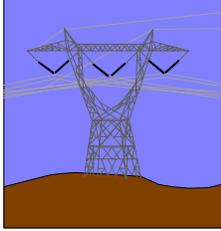
Programs In Review



Transmission Business Line Technical Information APPENDIX



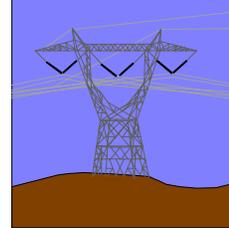
Capital Expenditures



(\$ millions)

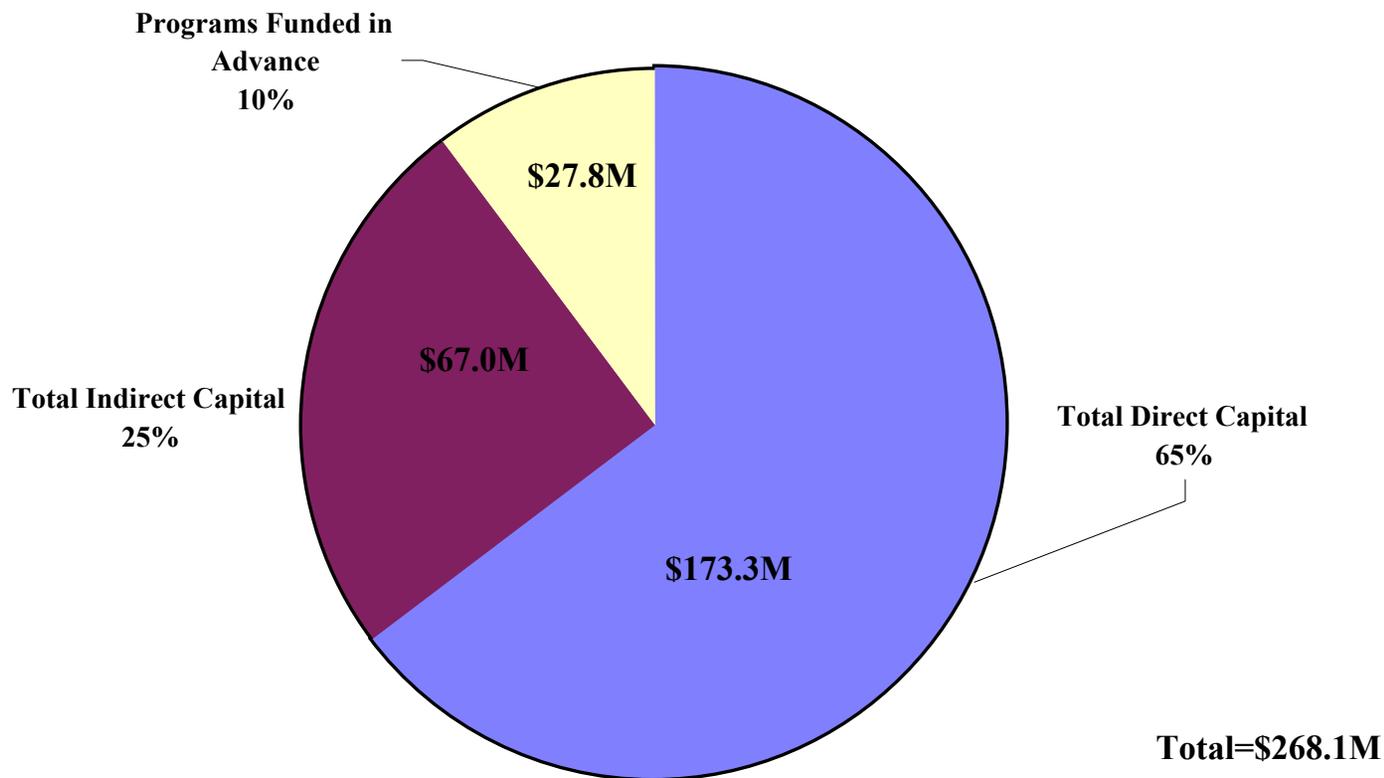
<i>Description</i>	<i>FY 00</i>	<i>FY 01</i>	<i>FY 02</i>	<i>FY 03</i>	<i>FY 04</i>	<i>FY 05</i>	<i>FY 06</i>
Main Grid	\$ 15.9	\$ 12.6	\$ 44.5	\$ 167.8	\$ 200.4	\$ 159.6	\$ 261.2
Total Area & Customer Service	\$ 5.3	\$ 8.9	\$ 10.6	\$ 12.2	\$ 11.4	\$ 13.1	\$ 19.8
Upgrades and Additions	\$ 35.4	\$ 68.7	\$ 45.4	\$ 32.8	\$ 40.1	\$ 43.3	\$ 41.1
System Replacements	\$ 30.1	\$ 39.6	\$ 66.7	\$ 49.5	\$ 42.1	\$ 34.5	\$ 32.8
Environment	\$ 6.4	\$ 8.1	\$ 8.3	\$ 7.2	\$ 7.4	\$ 5.4	\$ 5.6
Other Capital	\$ 2.3	\$ 3.1	\$(2.2)	\$(2.2)	\$(2.2)	\$(2.1)	\$(23.1)
Total Direct Capital	\$ 95.4	\$ 141.0	\$ 173.3	\$ 267.3	\$ 299.2	\$ 253.8	\$ 337.2
Total Indirect Capital	\$ 38.3	\$ 41.4	\$ 67.0	\$ 71.6	\$ 79.3	\$ 81.2	\$ 81.1
Programs Funded in Advance	\$ 15.0	\$ 17.8	\$ 27.8	\$ 85.9	\$ 87.4	\$ 25.0	\$ 25.0
Total	\$ 148.7	\$ 200.2	\$ 268.1	\$ 424.8	\$ 466.0	\$ 360.0	\$ 443.4

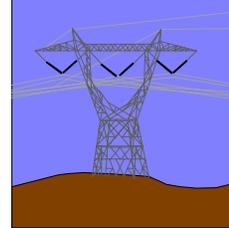




TBL Capital

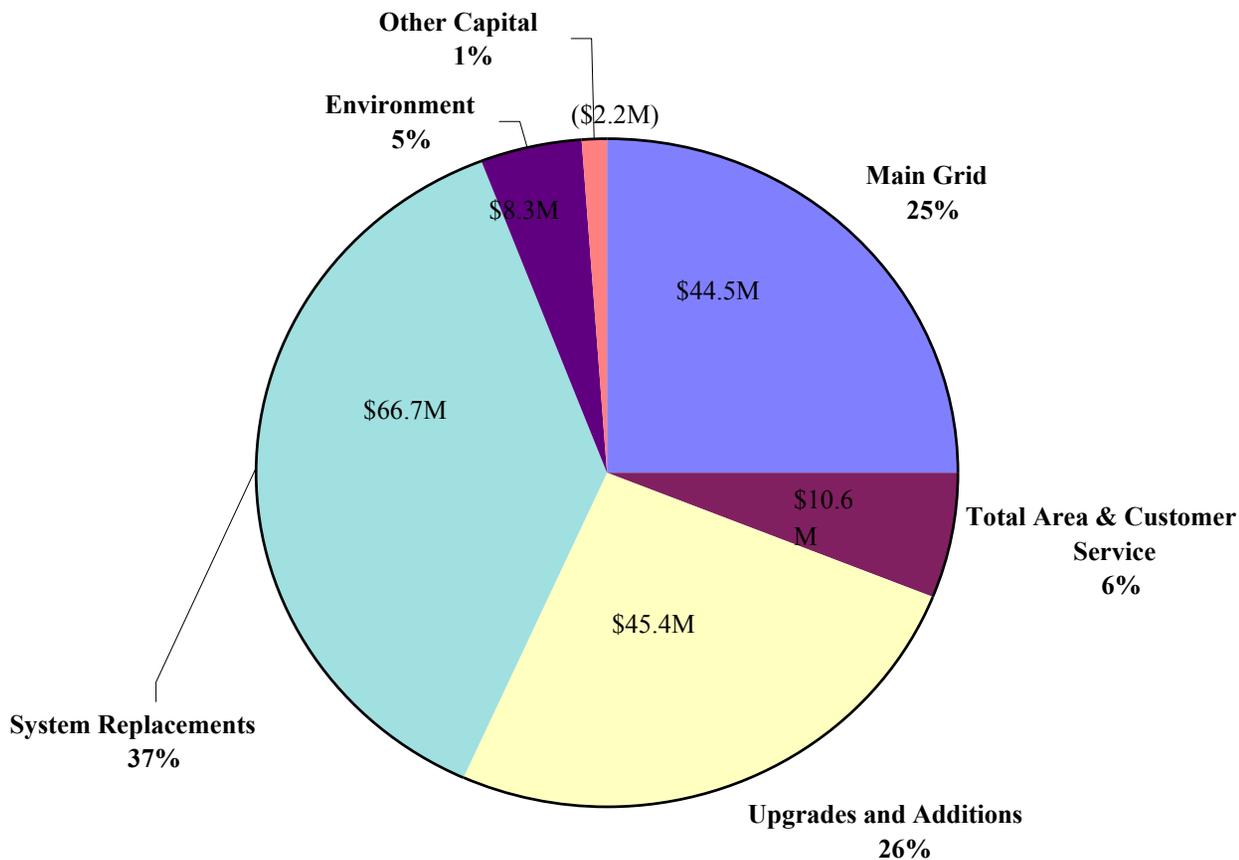
FY 02 Capital Expenditures





TBL Capital

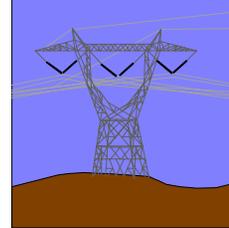
FY 02 Total Direct Capital



Total=\$173.3

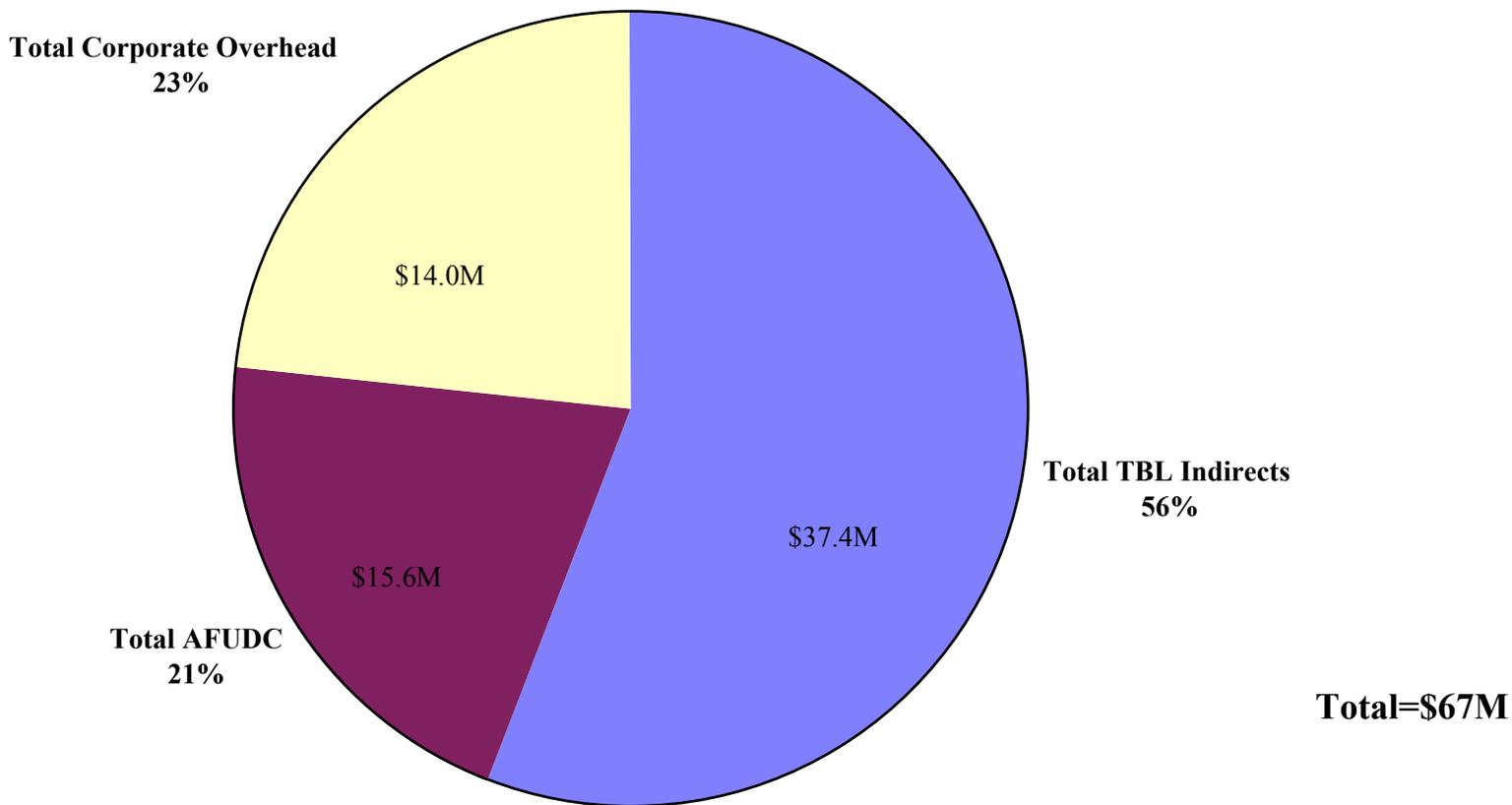


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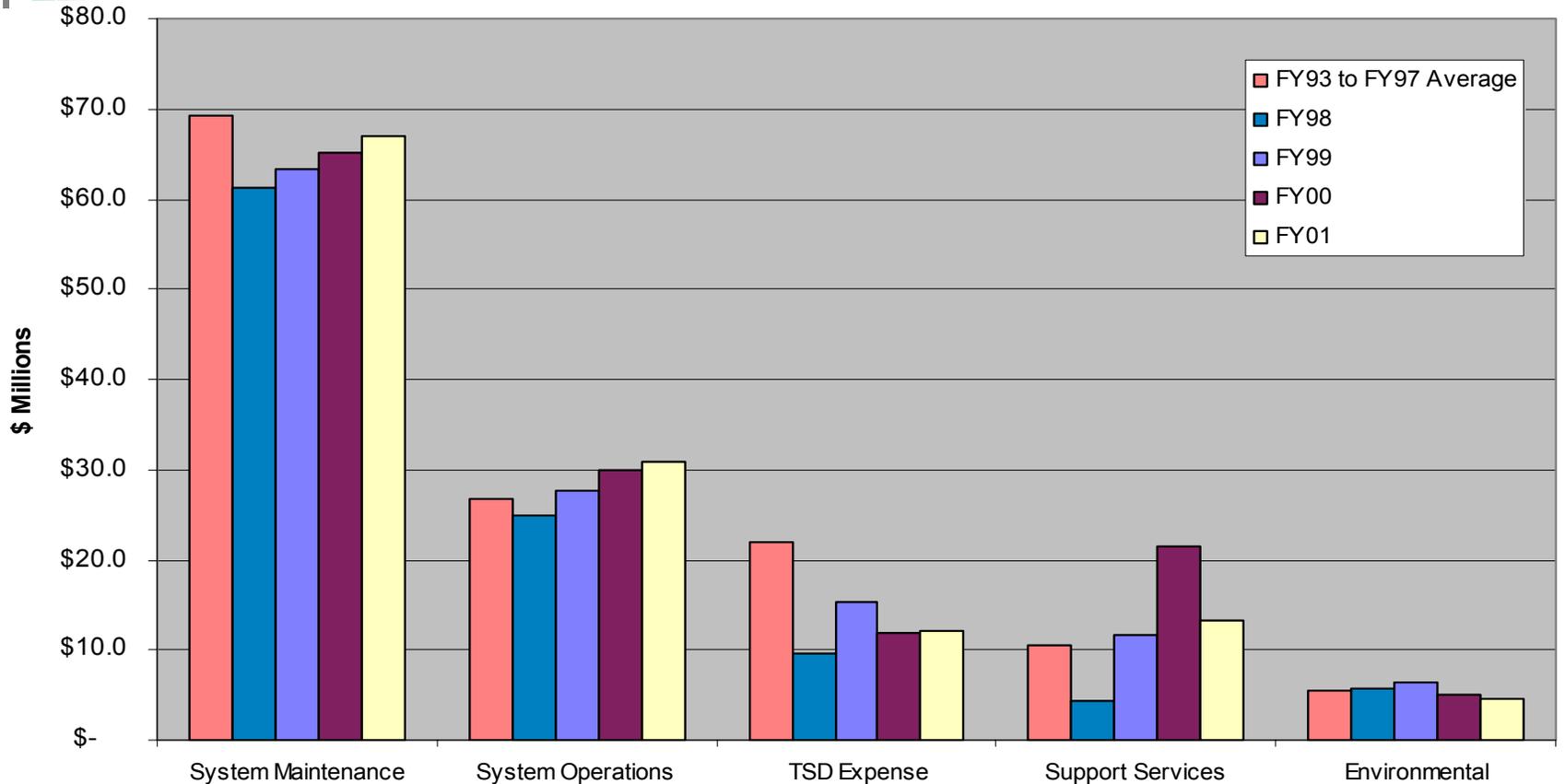
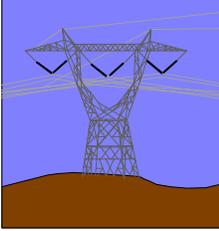


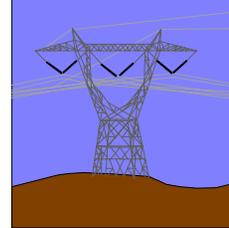
TBL Capital

FY 02 Total Indirect Capital



TBL Direct Expense Historical Trend (with Inflation)

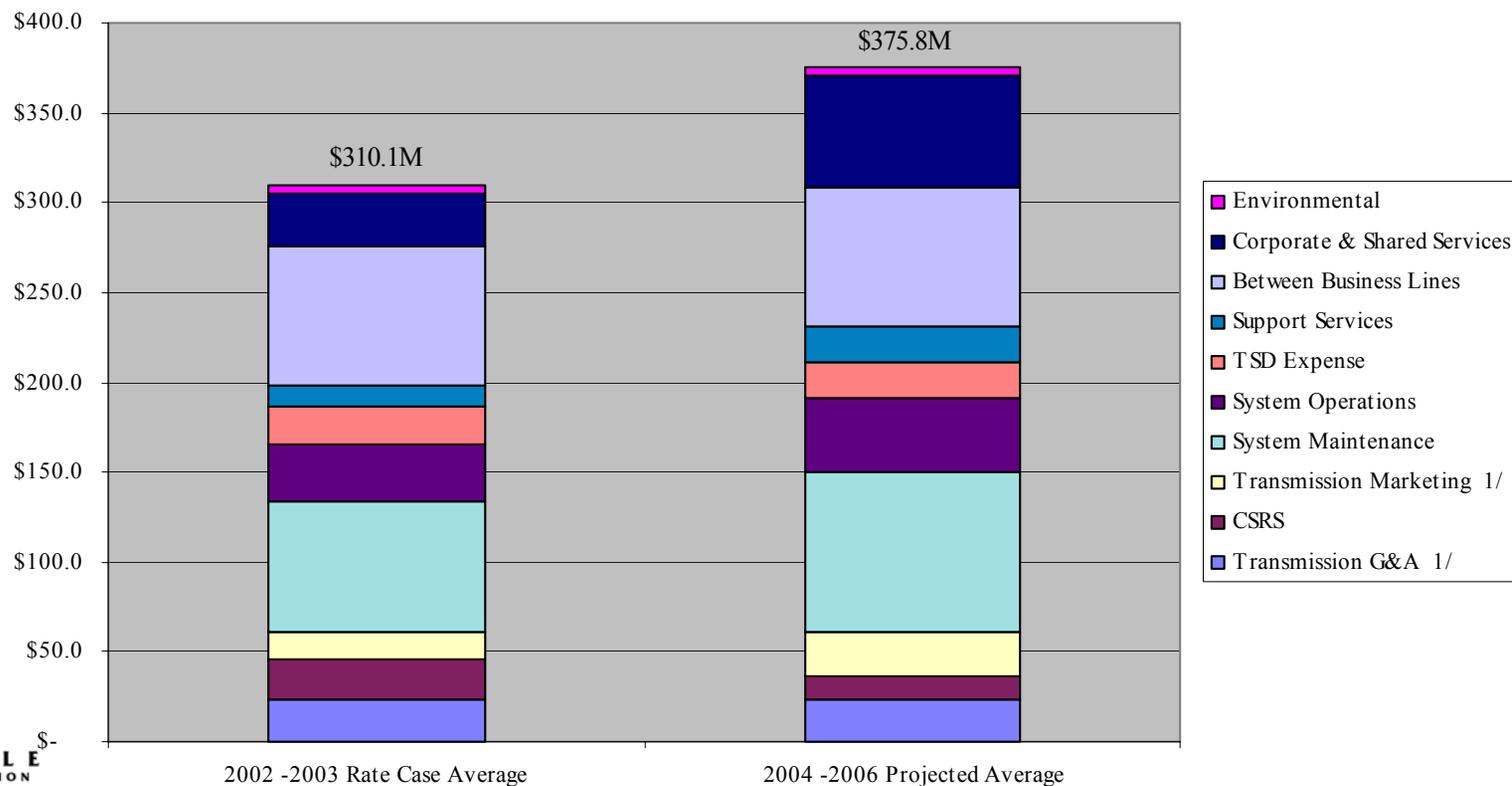


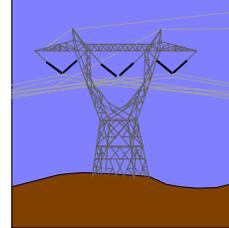


TBL Expenses

Program Trends

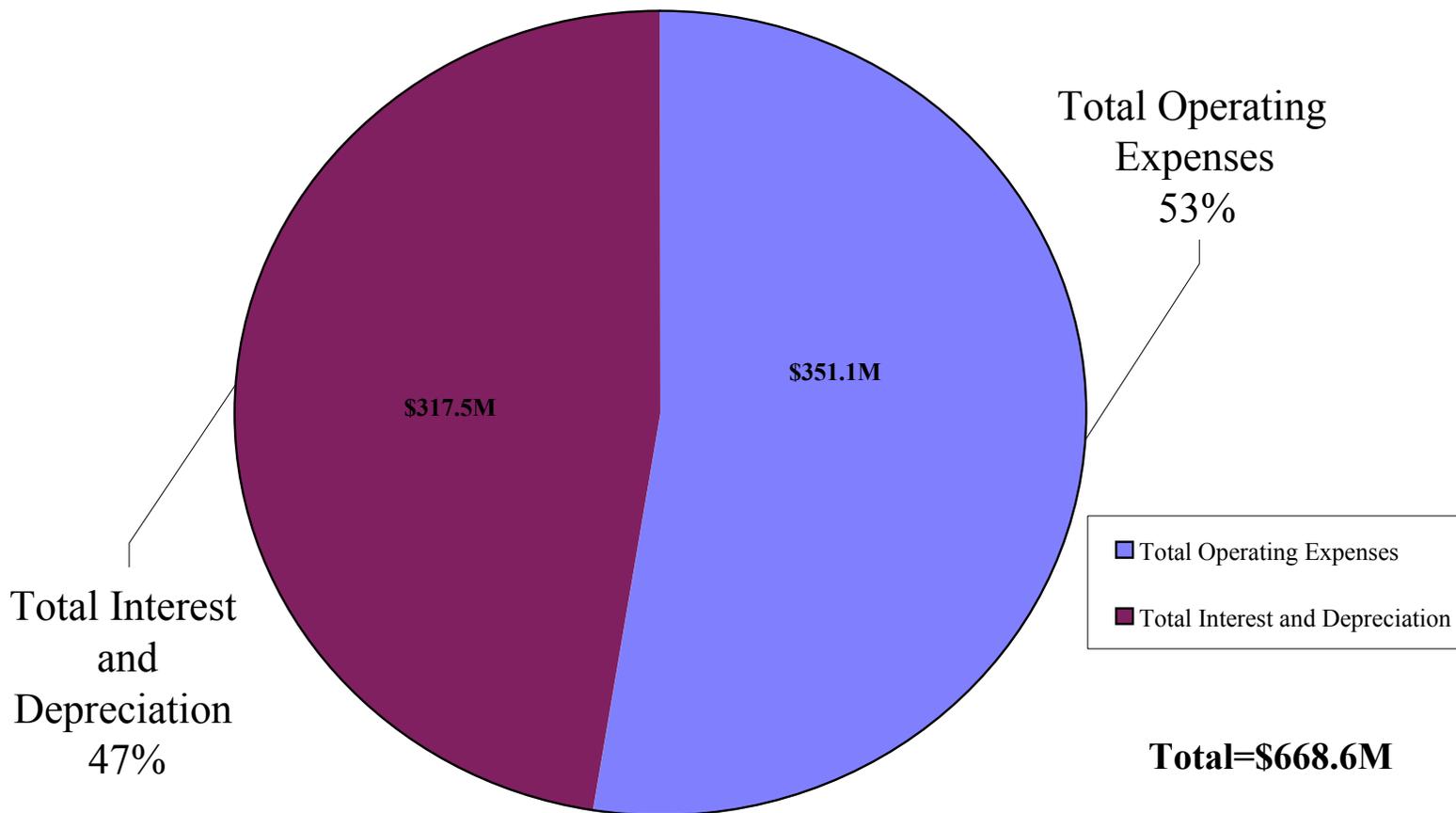
FY02-03 Rate Case vs. FY04-06 Projection

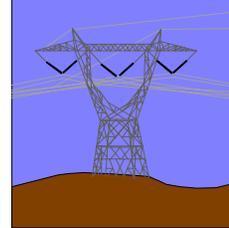




TBL Expenses

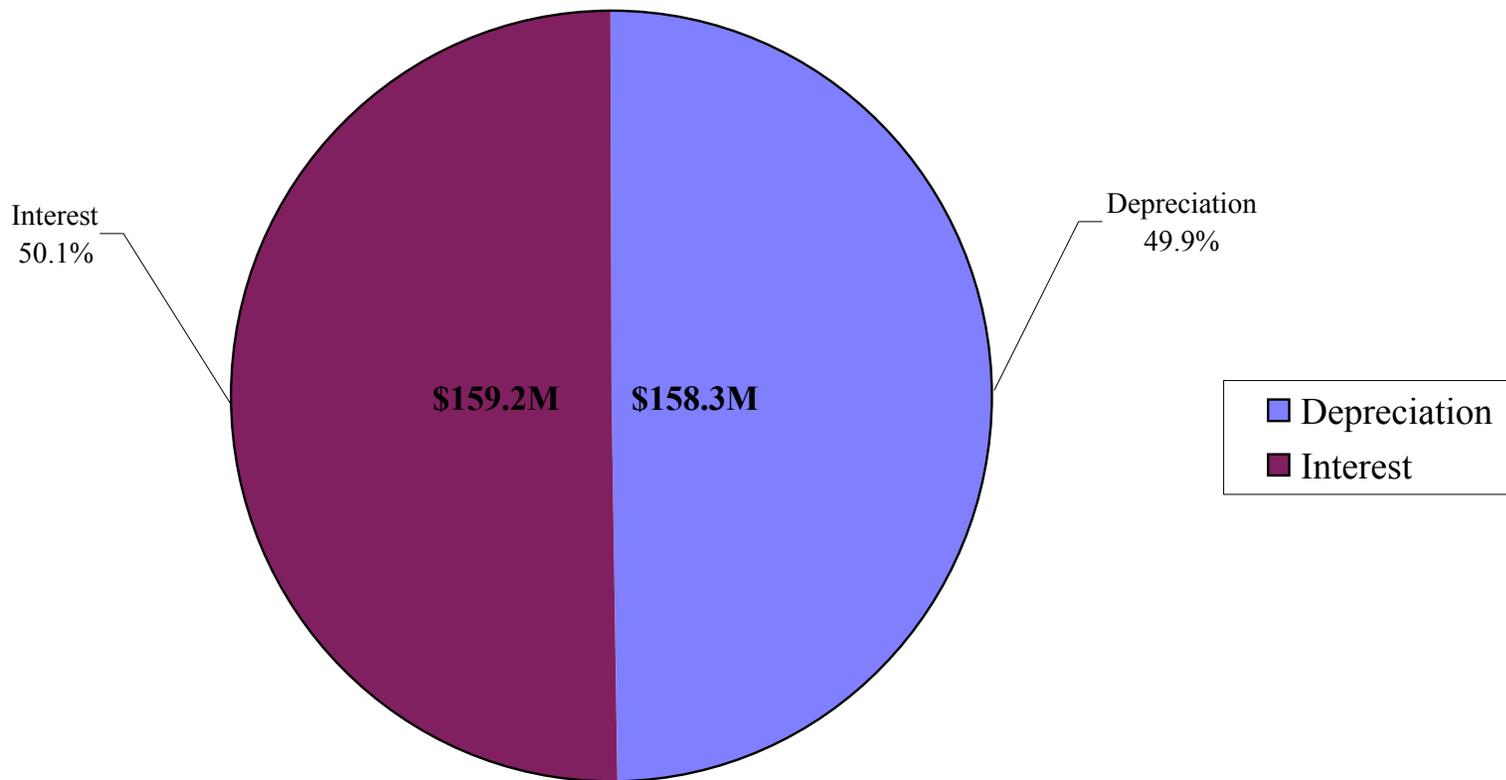
TBL FY 2002 Cost Summary





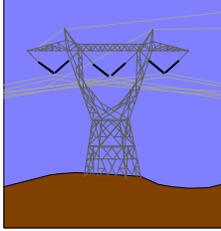
TBL Expenses

FY 2002 Interest and Depreciation



Total=\$317.5M





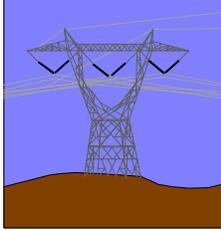
TBL Expenses

Interest & Depreciation

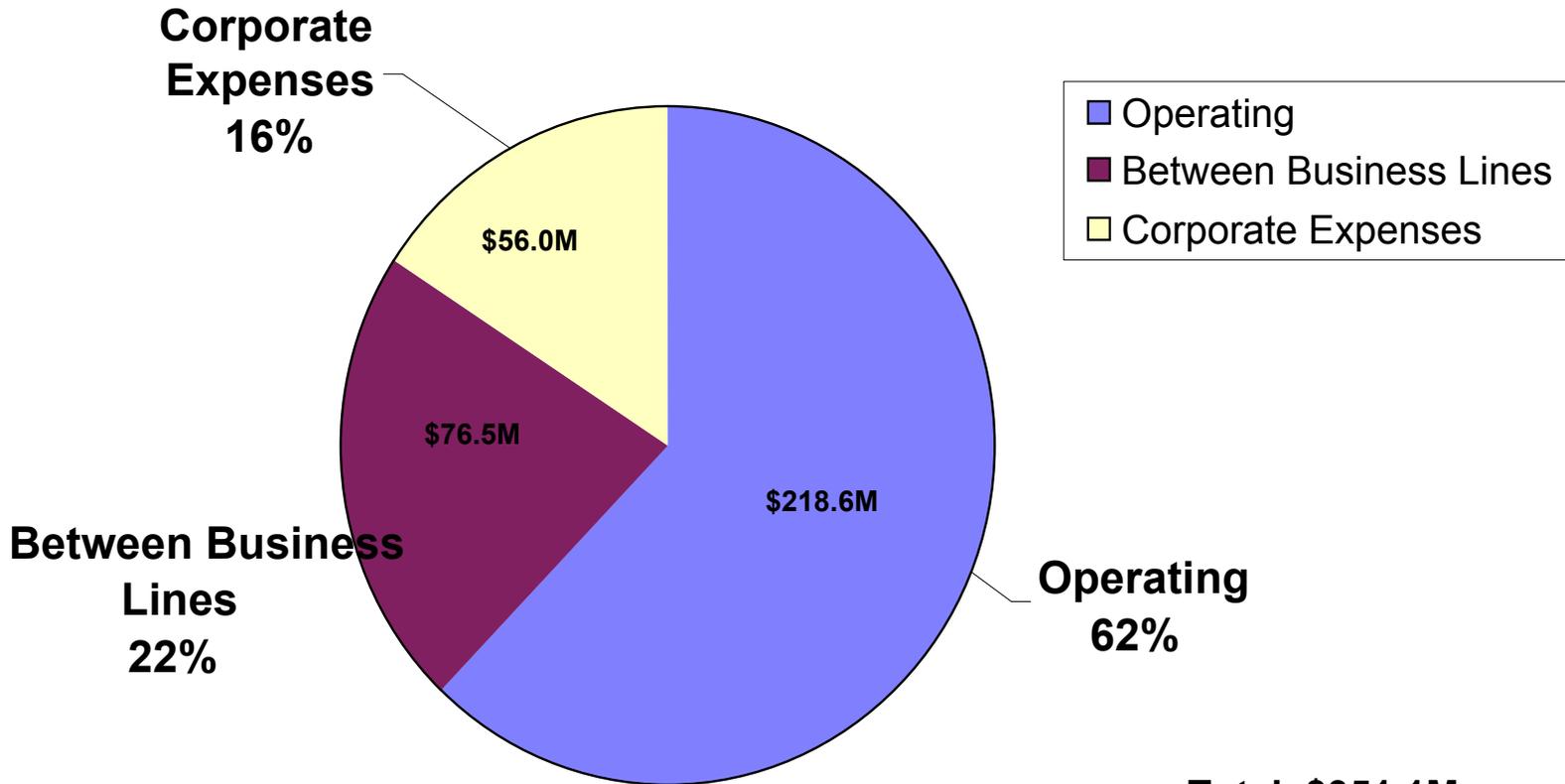
(\$ millions)

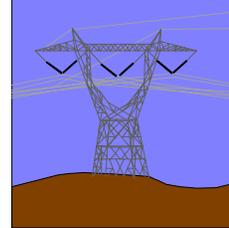
Description	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Depreciation	\$154.1	\$154.8	\$158.3	\$162.9	\$170.3	\$183.0	\$196.9
Interest	165.3	165.4	159.2	155.7	166.8	178.2	193.9
Total	\$319.4	\$320.2	\$317.5	\$318.6	\$337.1	\$361.2	\$390.8

TBL Expenses



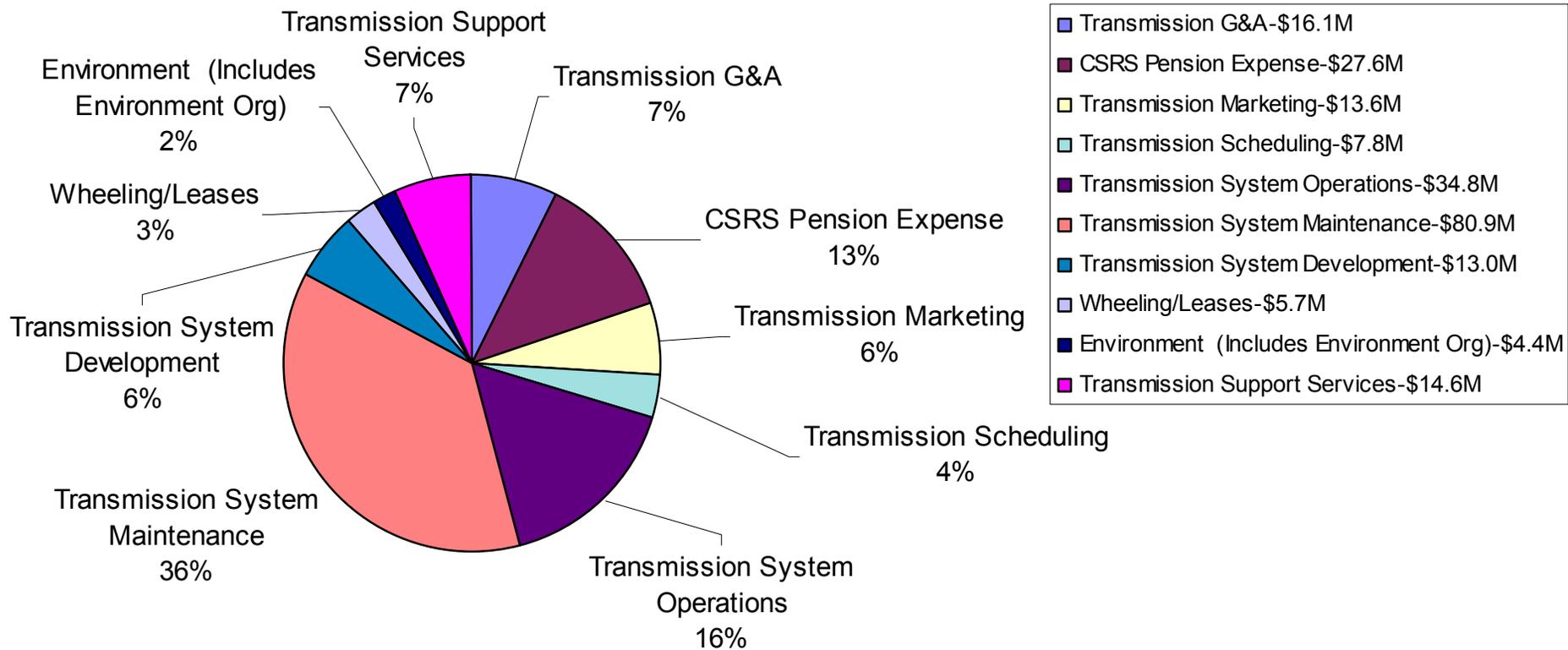
FY 2002 Total Operating Expenses





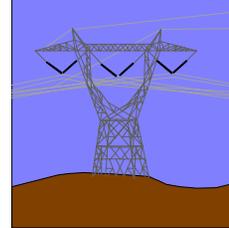
TBL Expenses

FY 2002 Operating Expenses



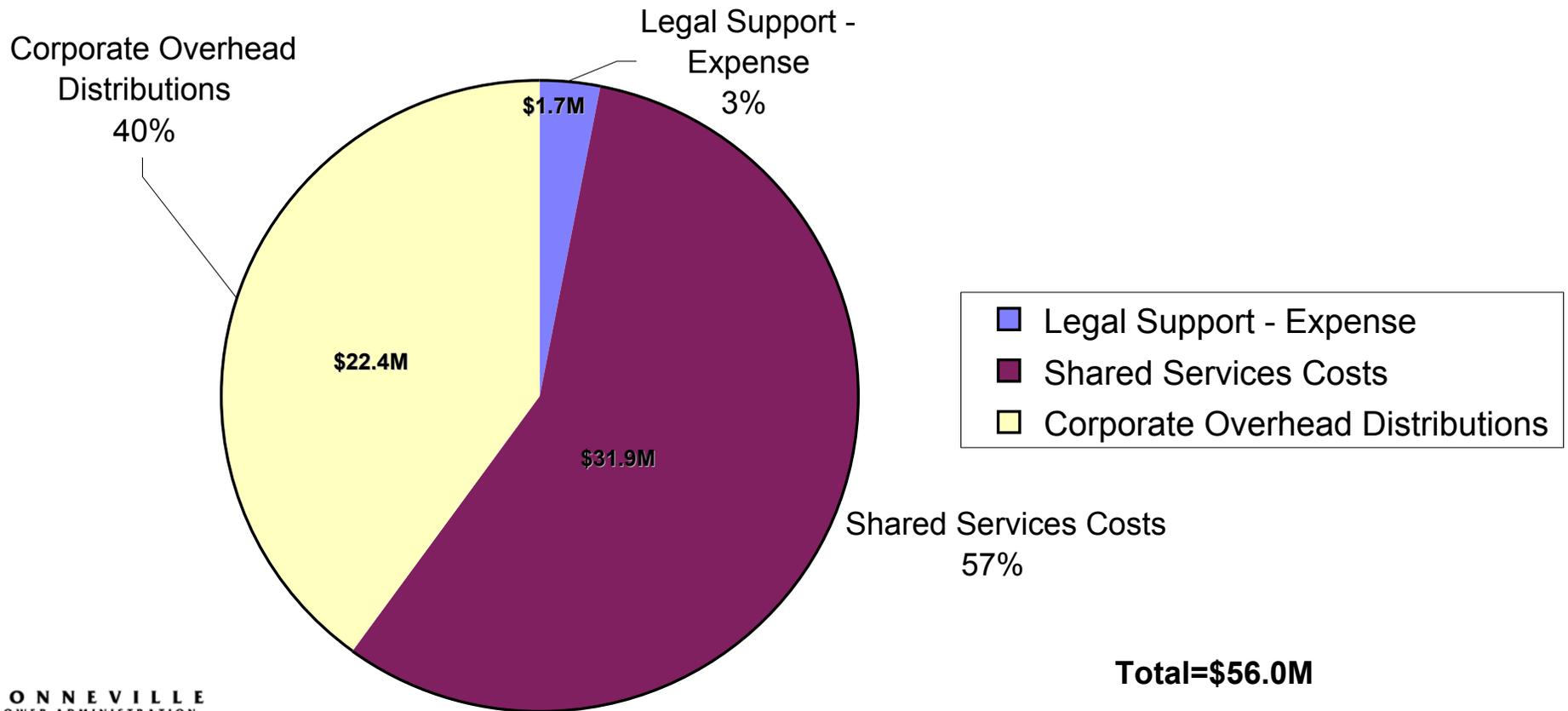
Total = \$218.6M

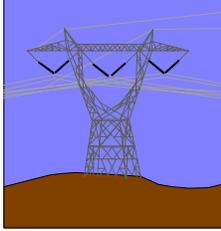




TBL Expenses

FY 2002 Corporate Expenses





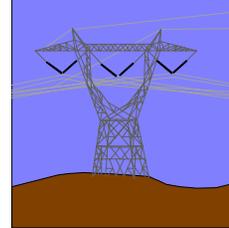
TBL Expenses

Shared Services and Corporate Overheads*

Description	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Buildings Management & Leases	\$2.7	\$7.8	\$6.3	\$6.9	\$7.2	\$7.4	\$7.6
Office & Desktop Communications	\$2.5	\$1.9	\$4.9	\$5.4	\$5.6	\$5.8	\$5.9
Other (Printing, Library, Internal Training)	\$2.0	\$1.5	\$2.1	\$2.3	\$2.4	\$2.5	\$2.5
Personnel	\$3.3	\$3.0	\$3.6	\$4.0	\$4.1	\$4.2	\$4.3
IR System & Support	\$3.1	\$6.5	\$14.9	\$16.4	\$17.1	\$17.5	\$18.0
Totals	\$13.5	\$20.7	\$31.8	\$35.0	\$36.5	\$37.4	\$38.3
Executive and Administrative	\$1.7	\$2.9	\$2.7	\$2.7	\$2.7	\$2.8	\$2.9
Business Solutions	\$4.1	\$4.2	\$6.5	\$6.5	\$6.6	\$6.8	\$6.9
Accounting & Financial	\$6.4	\$6.1	\$10.1	\$10.1	\$10.2	\$10.5	\$10.8
G&A & Other General Services	\$3.4	\$6.6	\$5.4	\$5.4	\$5.5	\$5.6	\$5.7
Totals	\$15.6	\$19.8	\$24.7	\$24.8	\$25.0	\$25.7	\$26.3
Grand totals Shared Svc/Corpt OH	\$29.1	\$40.5	\$56.5	\$59.8	\$61.5	\$63.1	\$64.6

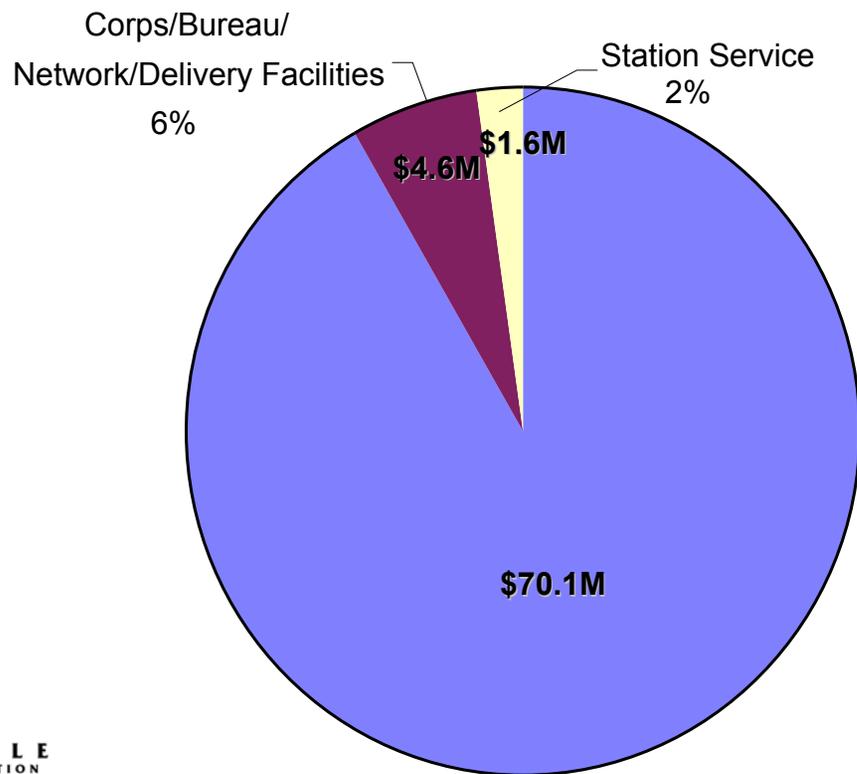
*millions





TBL Expenses

FY 2002 Between Business Lines Expenses

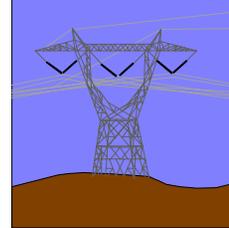


Total=\$76.5M

Ancillary Services
92%

7/16/02



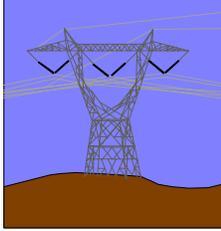


TBL Expenses

Between Business Lines (\$ millions)

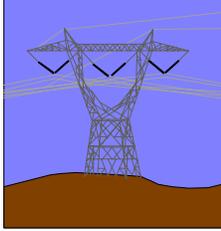
Description	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
APS Services	\$32.2	\$54.7	\$70.1	\$71.5	\$71.5	\$71.5	\$71.5
Corps/Bureau/Network/Delivery Facilities	\$7.2	\$8.6	\$4.6	\$4.1	\$4.1	\$4.1	\$4.1
Station Service	\$0.3	-	\$1.7	\$1.7	\$1.7	\$1.7	\$1.7
Total	\$39.7	\$63.3	\$76.4	\$77.3	\$77.3	\$77.3	\$77.3





Civil Service Retirement System

- CSRS declining through 2006
- Office of Management and Budget requested increased payments FY 2002-03 to \$27.6 and \$17.6 million respectively from \$4 million in 2001.
- TBL proposes to fund the CSRS \$15.4 million, \$13.3 million and \$11.6 million in each fiscal year 2004-06.

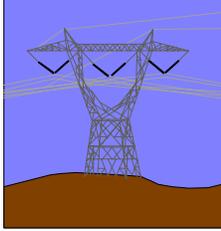


TBL Expenses

Civil Service Retirement System (CSRS)

(\$ millions)

Description	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
	\$3.0	\$4.0	\$27.6	\$17.6	\$15.4	\$13.3	\$11.6
Total	\$3.0	\$4.0	\$27.6	\$17.6	\$15.4	\$13.3	\$11.6

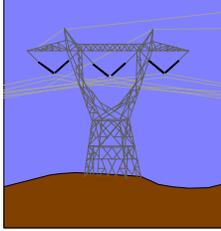


TBL Expenses

Transmission System Development

(\$Millions)

Description	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1 Research & Development and EPRI	1.0	1.0	3.0	3.1	3.3	3.4	3.4
2 Transmission Planning & Analysis	3.0	3.2	1.8	1.8	1.7	1.7	1.7
3 Regulatory & Regional Assn Fees			1.9	1.9	3.0	3.0	3.1
4 Leased Facilities	6.5	5.6	9.1	9.3	8.7	8.9	9.2
5 Capital to Expense	1.4	2.3	3.0	3.1	3.0	3.1	3.2
6 Totals	11.9	12.1	18.8	19.3	19.6	20.1	20.6

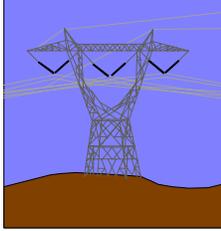


TBL Expenses

Transmission Marketing

(\$Millions)

Description	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1 Marketing	3.2	5.7	7.7	7.4	7.8	8.1	8.2
2 Billing	1.7	1.5	2.0	2.3	2.5	2.5	2.6
3 Contracting & Business Strategy	3.0	2.9	3.2	3.7	3.9	4.0	4.1
4 Finance	0.5	0.6	0.7	0.6	0.6	0.6	0.6
8 Totals	8.4	10.7	13.6	14.0	14.8	15.2	15.5



TBL Expenses

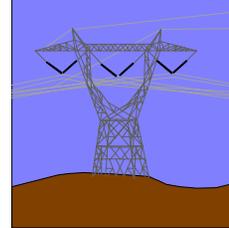
Transmission Scheduling (*\$Millions*)

Description	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1 Scheduling management	0.7	0.8	0.4	0.4	0.5	0.5	0.5
2 Reservations*	0.2	0.2	0.1	0.3	0.3	0.3	0.3
3 Pre-Scheduling*	0.5	0.6	1.0	1.1	1.2	1.2	1.3
4 Real-Time*	2.3	2.5	2.6	3.0	3.3	3.3	3.4
5 Technical Support**	0.7	0.8	3.1	2.6	2.7	2.9	2.9
6 After-the-Fact*	0.4	0.4	0.5	0.5	0.6	0.6	0.6
8 Totals	4.8	5.3	7.2	7.9	8.6	8.8	9.0

*Estimated Costs because categories not available before 2001.

**IT System Maintenance Charged Directly to Scheduling in 2002.





TBL Expenses

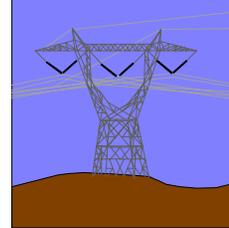
Transmission G&A

(\$Millions)

Description	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Executive Management	3.8	2.4	2.4	2.5	3.1	3.2	3.3
General Administration	1.4	1.7	2.5	2.6	4.7	4.8	4.9
Workmens' Compensation (OWCP)*	3.3	2.4					
Employee Awards	6.9	8.9	8.3	8.5	9.8	10.0	10.3
Relocations	0.2	0.5	0.7	0.8	1.2	1.2	1.3
Office Moves & Leases	0.3	1.1	2.1	2.2	3.6	3.7	3.8
Totals	16.0	17.1	16.1	16.5	22.4	23.0	23.5

* Workmen's Comp (OWCP) charged against Shared Services after FY 2001





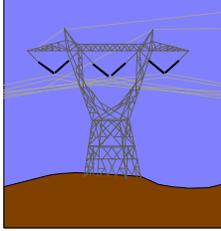
TBL Expenses

Transmission Support Services

(\$Millions)

Description	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1 Fixed Wing Services	0.7	0.3	0.7	0.7	0.9	0.9	0.9
2 Transmission Support Services	3.1	4.1	3.1	3.2	3.2	3.3	3.3
3 Transmission Information Resources	13.1	5.5	8.5	8.7	10.7	11.0	11.3
4 Material & Procurement	4.6	3.1	2.3	2.3	4.6	4.7	4.8
5 Totals	21.5	13.0	14.6	15.0	19.4	19.8	20.3



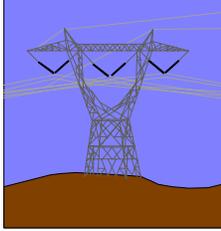


TBL Expenses

Transmission System Operations

(\$Millions)

Description	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1 Substation Operations	15.6	15.3	16.7	17.1	17.8	18.3	18.7
2 Dispatching & Communications	6.8	7.9	9.1	9.3	11.1	11.4	11.7
3 Operations Engineering	2.7	2.3	2.7	2.8	3.5	3.6	3.7
4 Control Center	4.8	5.1	6.3	6.5	7.6	7.8	8.0
5 Totals	29.9	30.6	34.8	35.7	40.1	41.1	42.1



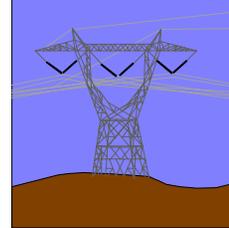
TBL Expenses

System Maintenance

(\$Millions)

Description	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1 System Maintenance Management	4.6	5.0	9.1	9.3	7.7	7.9	8.1
2 Non-Electric Plant	5.8	6.5	8.1	8.3	8.8	9.0	9.3
3 Line Maintenance	15.0	15.0	19.5	20.0	21.3	21.8	22.4
4 Substation Maintenance	16.9	17.4	17.2	17.6	18.9	19.3	19.8
5 ROW Maintenance	8.1	7.9	9.7	10.0	10.6	10.9	11.1
6 System Protection	7.4	7.5	8.9	9.1	11.1	11.4	11.7
7 Power System Control	7.3	6.8	8.4	8.6	9.1	9.3	9.6
8 Totals	65.2	66.1	80.9	82.9	87.5	89.7	92.0





TBL Expenses

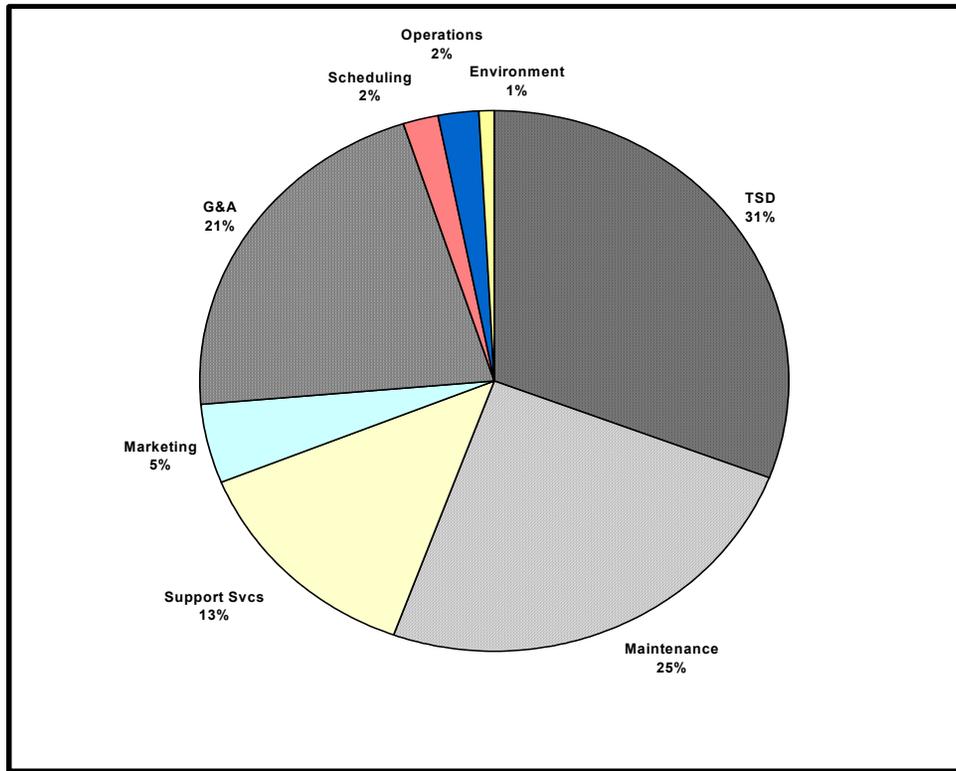
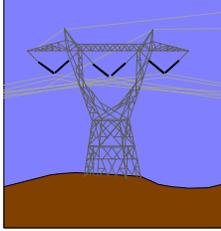
FTE Trends: Transmission Business Line

<i>Description</i>	<i>FY 00</i>	<i>FY 01</i>	<i>FY 02</i>	<i>FY 03</i>	<i>FY 04</i>	<i>FY 05</i>	<i>FY 06</i>
Support Services	243	270	321	360	360	360	360
Transmission Field Services	828	866	918	950	950	950	950
Marketing & Sales	150	156	168	174	174	174	163
Engineering & Technical Service	253	279	323	325	325	325	315
Operation & Planning	217	236	251	260	255	248	241
Total	1,691	1,807	1,981	2,069	2,064	2,057	2,029

FY 03 to FY 06 needs to be updated. Not final numbers



FY 2002 Transmission Expense Reductions by Program

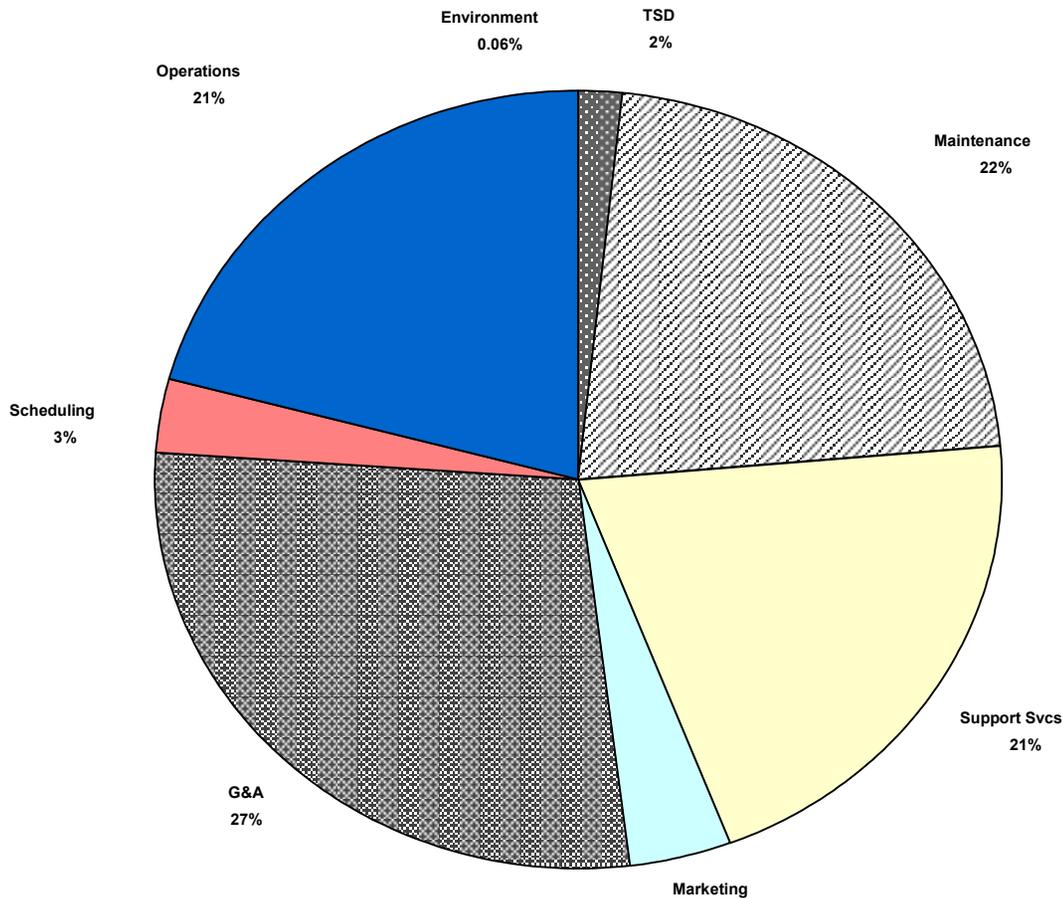


PROGRAMS	(\$000)
TSD	5,022.0
Maintenance	4,027.4
Support Services	2,201.9
Marketing	750.0
TBL G&A	3,491.1
Scheduling	340.0
Operations	360.0
<u>Environment</u>	<u>129.1</u>
<u>TOTAL</u>	<u>16,321.5</u>



Expense Reductions FY 03 – FY 06

Proposed Annual Average Transmission By Program

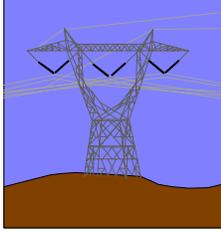


<i>PROGRAMS</i>	<i>(\$000)</i>
TSD	374.8
Maintenance	4,792.4
Support Services	4,528.1
Marketing	859.3
TBL G&A	6,132.0
Scheduling	678.3
Operations	4,570.7
Environment	12.9
TOTAL	21,948.7



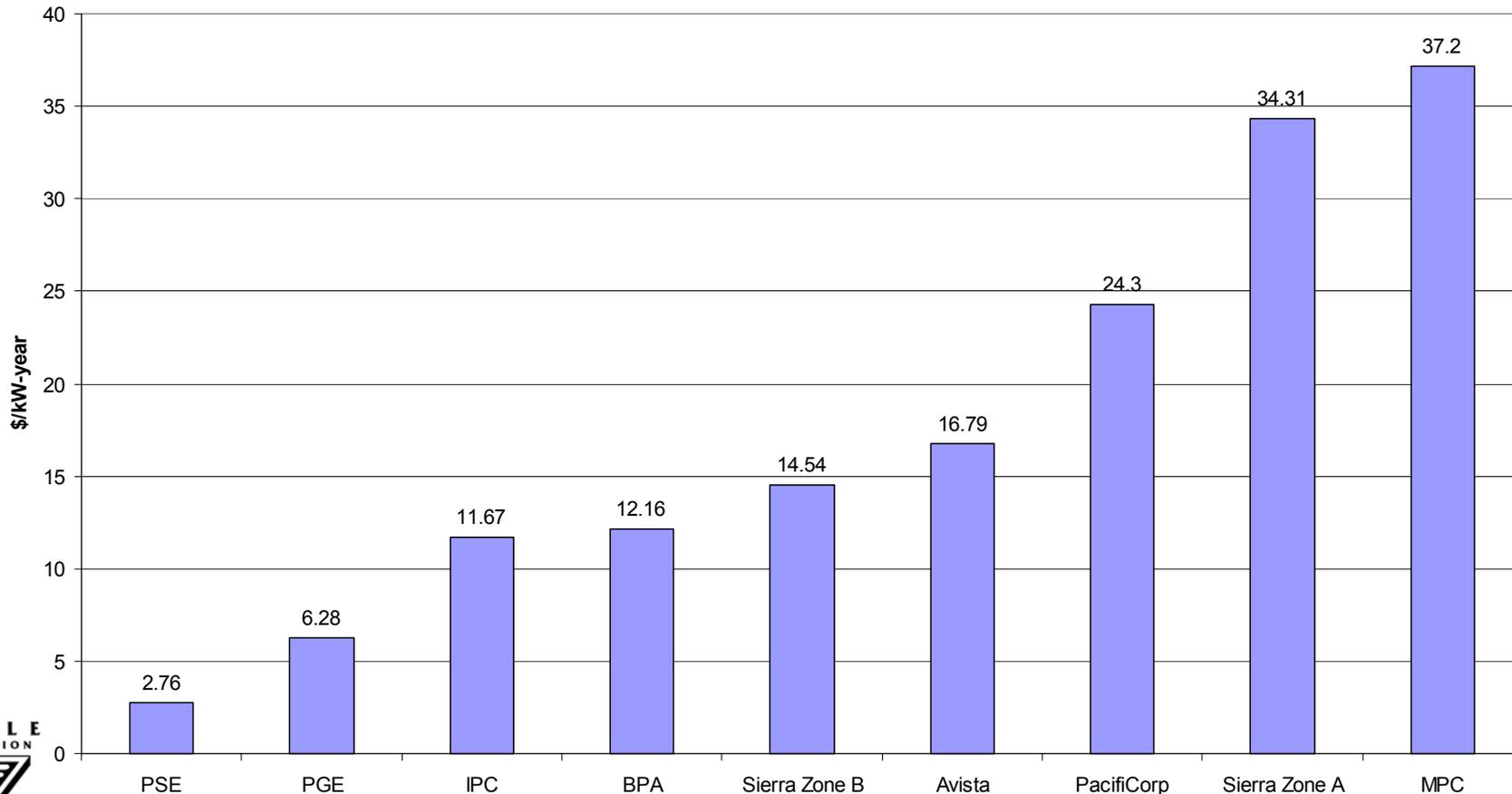
7/16/02

PTP Transmission Rate Regional Comparison



6/21/02

NOTE: Does not include ancillary services



7/16/02

29