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**U.S. DEPARTMENT OF ENERGY**

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**Report on  
Uncosted Balances  
for Fiscal Year Ended  
September 30, 1997**



**March 16, 1998**

**Prepared by: Office of Chief Financial Officer**

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## SUMMARY OF ANALYSIS

Over the past several years, the Department of Energy (DOE) has made significant progress in reducing the level of uncosted balances. In fact, the Department's total uncosted balance is the lowest it has been in over 16 years. In FY 1997, total Department-wide balances were reduced by \$440 million from the FY 1996 end of year level. This is on top of a \$3.4 Billion decrease between FY 1994 and FY 1996.

## U.S. Department of Energy UNCOSTED OBLIGATIONS BY FISCAL YEAR

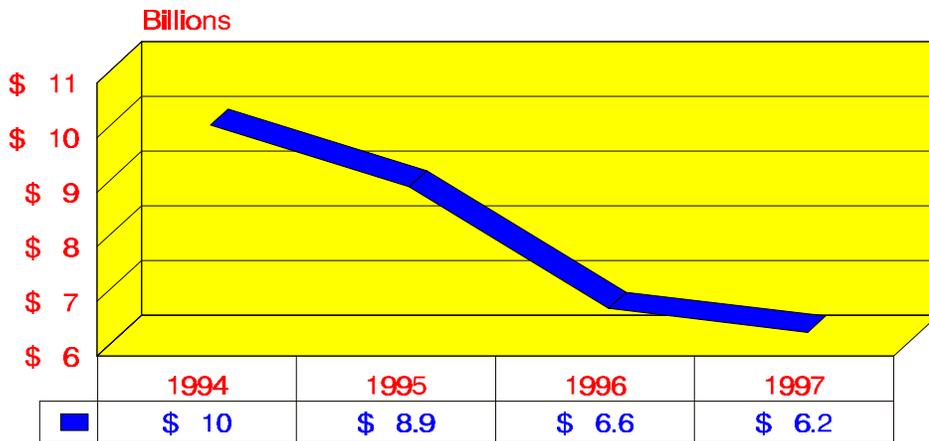


Exhibit 1

As exhibit 1 above shows, the Department has shown a steady decline in the level of uncosted balances since FY 1994. Since that time, DOE has reduced its uncosted balances by \$3.8 billion (38%) with the largest reductions of \$1.1 billion and \$2.3 billion in fiscal years 1995 and 1996 respectively. These numbers are even more dramatic when the appropriated activities are isolated from the uncosted balances related to reimbursable work which are under the control of other Federal agencies and private entities. Exhibit 1B below reveals that uncosted balances from appropriated activities have been reduced from \$8.3 billion in FY 1994 to \$4.8 billion in FY 1997; a 42% total decrease. In addition, it is notable that the Department also reduced unobligated balances for appropriated activities from \$3.5 billion in FY 1994 to \$1.5 billion in FY 1997 (57%). This further demonstrates the Department's commitment to truly reducing excess balances rather than recategorizing them. These reductions are representative of the increased emphasis being placed on better understanding, reviewing and managing these balances throughout the Department.

**U.S. Department of Energy**  
**UNCOSTED BALANCES**  
**BY FISCAL YEAR**  
**Appropriated vs Reimbursable funds**

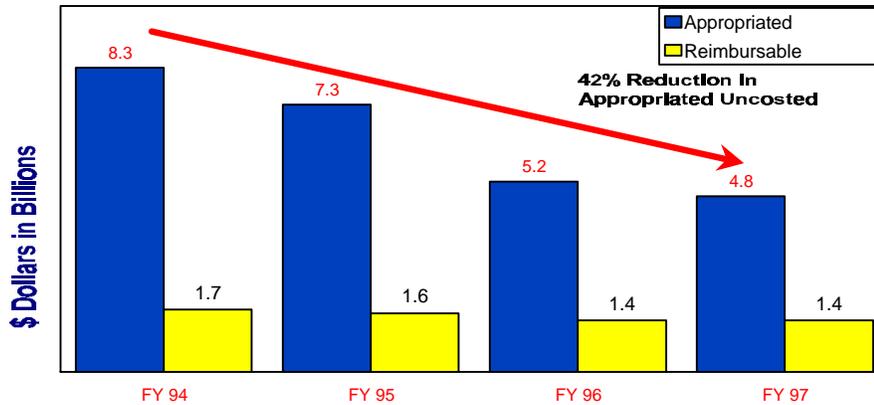


Exhibit 1B

Beginning in FY 1996, the Department changed its methodology for analyzing uncosted balances. Recognizing that there was a legitimate rationale for the retention of some level of uncosted balances, DOE established percentage thresholds which specify levels of uncosted balances that are 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 the calculated thresholds and actual balances. The results of the FY 1997 analysis indicate that the Department as a whole is \$0.2 billion under the established thresholds.

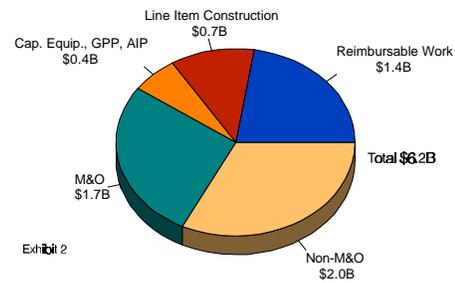
In financing the Department of Energy's FY 1999 congressional budget request, the Department plans to use \$49.3 million of uncosted balances. In addition, \$146.2 million of prior year balances is being applied to meet requirements in FY 1998. In total, \$195.5 million of prior year balances, both unobligated and obligated but uncosted, are being applied to finance the Department's programs in FY 1998 and 1999.

**Composition of FY 1997 Year End Uncosted Obligations**

In the Department's analysis, uncosted balances are categorized and grouped in order to segregate those types of costs which are more controllable and focus efforts primarily at reducing balances in those areas. Of the five major categories, line item construction and reimbursable work are the areas where the least direct control can be achieved and as such the Department's analysis for this specific exercise focuses primarily on Capital Equipment, Management and Operating Contractor (M&O) and Non-M&O uncosted balances. Exhibit 2 presents the composition of the Department's \$6.2 billion uncosted balance by category as of September 30, 1997.

## U.S. Department of Energy Uncosted Balances by Category FY 1997

\$1.4 billion was associated with reimbursable work that is funded by appropriations and funds of other Federal agencies and non-Federal entities. These funds are under the control of those entities and cannot be used to offset DOE appropriations. Another \$0.7 billion is associated with Line Item construction projects which is down \$0.2 billion from FY 1996. While this specific exercise does not call for the direct analysis of these balances, uncosted balances for construction activities are reviewed annually through other initiatives including the Congressional Report on Prior Year Construction Projects.



\$0.4 billion is related to Capital Equipment, General Plant Projects and Accelerator Improvement Projects. This is down from last year's ending balance of \$0.5 billion. Another \$1.7 billion is attributed to uncosted balances arising from the operating activities of the Department's management and operating (M&O) contractors (includes Integrated and Integrating contractors) including subcontracts. The final \$2 billion results from operating and prime contract activities not related to the Department's M&Os.

It is important to note that the balances at September 30, 1997, are not static but reflect a snapshot in time. DOE programs have continued functioning in the intervening months. Consequently, funds that were uncosted at fiscal year end, may have been partially or completely expended at this mid-point in the fiscal year or may have already been identified and/or withdrawn to offset future budget requests. Remaining balances are being monitored to assure that they do not inappropriately increase uncosted balances at year-end FY 1998.

### **Background & Analysis Approach**

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 to submit an annual report to Congress on the status of the Department's uncosted obligations. The report is to identify the level of uncosted balances at the end of the year as well as the purposes for which any such funds are intended and the impact of those balances on the Department's annual budget request.

This is the sixth annual submission of that report.

In April 1996, the General Accounting Office (GAO) issued its report "DOE Needs to Improve Its Analysis of Carryover Balances." In that report, 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...”

The GAO report recommended “...that the Secretary of Energy develop a more effective approach for identifying the carryover balances that exceed the requirements of DOE’s programs and are thus available to reduce the Department’s annual request.” They suggested implementing concepts already being explored by DOE to develop an approach which: a) establishes goals for each program; b) projects year-end program balances; and, c) focuses analysis on the differences between the programs’ goals and projected balances in order to identify those balances that exceed needs and are available to reduce DOE’s budget request.

Recognizing that there is a legitimate rationale for the retention of some level of uncosted balances, the DOE developed a new approach which hinges upon the establishment of percentage thresholds specifying levels of uncosted balances that are 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 the calculated thresholds and actual balances and will, over time, facilitate the establishment of more meaningful benchmarks for desired uncosted balance levels.

As such, a threshold is defined as an analytical reference point (i.e. a specific dollar value or percentage of a specified cost category or obligational availability) beyond which uncosted obligated balances should be given greater scrutiny. That does not mean they are inappropriate, it only means that balances which exceed a threshold will become the subject of more intense review and will require more detailed justification for retention.

The complexity in analyzing uncosted balances may be increased depending on the type of obligating instrument (e.g. contract, grant, cooperative agreement), the nature of the expenditure (e.g. capital equipment, operating, construction), or the type of entity involved such as a management and operating contractor versus a Headquarters program activity. Additionally, some types of uncosted balances are more controllable than others. For example, balances for reimbursable work are less controllable than those for operating expenses (since funds are in the control of other entities). Therefore, a higher level of uncosteds for these funds would be expected.

Another example is grants wherein funds are transferred to grantees (state and local governments, universities, etc.) who are responsible for the expenditure of the funds. While grants rarely go unexpended, the costs are often slow to be reflected on the Department’s books since costing relies primarily on the receipt of cost reports from the grantees which lag significantly behind expenditures.

In order to focus analysis efforts on those areas for which the Department can exercise the most control, costs and uncosted balances are segregated into discrete categories which display similar and predictable costing rates. The following table outlines the various uncosted categories and

their respective thresholds:

CATEGORY	UNCOSTED THRESHOLD
<p><b>M&amp;O Operating:</b> This category includes both internal and external costs. <u>Internal costs</u> are defined as costs incurred for normal operations at a site <u>excluding</u> subcontracts, capital equipment, general plant projects, accelerator improvement projects and line item construction projects. <u>External costs</u> consist of contracts awarded by the M&amp;Os including (1) purchase orders issued; (2) contracts and <u>subcontracts</u> awarded including full liability under lease purchases and capital leases; (3) termination costs for incrementally funded firm fixed price contracts, operating lease agreements, and multi year service contracts; (4) other agreements for the acquisition of goods and services related to other M&amp;O construction contractors.</p>	<p><b>15% of the costs resulting from operating activities for the fiscal year just ended.</b></p> <p>The threshold for Operating Costs combines (using a weighted average) previously separate thresholds of internal and external costs. The composite threshold is based on last years analysis and recognizes the minor delay (about one month or 8%) at the start of the fiscal year to establish new funding instruments for internal activities. It also recognizes the Departmental average for external uncosteds as a percent of external costs which was 31% for FY 1996.</p>
<p><b>Capital Equipment, GPP &amp; AIP:</b> Capital equipments includes equipment that meets the accounting criteria for capitalization (i.e., cost of \$25,000 or more starting in FY 1997 and an anticipated service life of 2 years or more). General Plant Projects and Accelerator Improvement Projects are grouped in this category because they share the similar costing patterns.</p>	<p><b>50% of the contractor's funding availability for capital equipment, GPP and AIP respectively for the fiscal year just ended.</b></p>
<p><b>Non-M&amp;O Operating:</b> Contracts and operating costs for other than M&amp;O contractors.</p>	<p><b>20% of the costs incurred for non-integrated activities for the fiscal year just ended.</b></p>
<p>◆<b>Line Item Construction</b>          ◆<b>Grants</b>          ◆<b>CRADAs and other Cooperative Agreements</b>          ◆<b>Reimbursable Work</b></p>	<p><b>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. Only reporting of the costs and resulting uncosted balances is required for this exercise to assure that all costs are accounted for.</b></p>

This threshold approach was first piloted by the Department for the analysis of FY 1996 balances. The FY 1997 analysis builds upon last year's approach while refining the threshold levels and adjusting the reporting process to incorporate lessons learned.

The analysis process requires all Departmental elements (Headquarters organizations, Field organizations, M&O Contractors) to review their uncosted balances against the thresholds and report the results of these analyses. Each element arrays their uncosted balances in a standard format which discloses programs that have uncosted balances in excess of the defined thresholds at the obligational control (Congressional Base Table) level. *(See Chart 4 for reporting format samples)* A narrative justification is required for each program that exceeded the defined threshold explaining the circumstances and either a request to retain the balances [or] with a statement defining planned use of the balances [or] an acknowledgement that the balances can be withdrawn for higher priority use. It is important to note that the final dollar value of the thresholds was not known prior to the end of the execution year since the thresholds are calculated on actual end of year data.

The increased emphasis on analyzing these balances as a result of this new direction has contributed greatly to the Department's success in reducing its uncosted balances by \$2.7 billion from FY 1995 to FY 1997. We anticipate that the lessons learned during the process for reviewing the FY 1997 uncosted balances will provide for an even more thorough analysis of FY 1998 balances.

### **Summary Threshold Analysis**

The Department's total uncosted obligation balance is at its lowest level in over 15 years, showing a steady decline since FY 1993 from \$10.8 billion to an FY 1997 level of \$6.2 billion. Additionally, DOE's FY 1997 uncosted balance is \$0.2 billion below the anticipated net threshold. Last year's analysis reported the Department to be \$1.4 billion below the established threshold. The variance between FY 1996 and FY 1997 is the result of refining the thresholds to more accurately reflect the expected costing patterns of the various cost categories. DOE will continue to monitor, and refine as necessary, the thresholds to ensure that expected uncosted levels continue to be consistent with sound financial management practices.

Chart 3 presents the results of the Department's threshold analysis. It is important to note that the chart presents "NET" variances summarized at the Departmental level. The results of the specific analyses performed by each Departmental element at the base table control level are far too detailed to present in this report and may show several programs within an appropriation as being over or under threshold. This report focuses on analysis of the uncosted balances, thresholds and resulting variances at the summary appropriation level to provide a broad indication of performance across the Department.

## EXPLANATION OF SIGNIFICANT THRESHOLD VARIANCES:

### Energy and Water Development Appropriations

**Appropriation Number 89X0226, Uranium Supply and Enrichment Activities** - Exceeds appropriation threshold by a net amount of \$13.4 million. The over threshold amount is primarily the result of a delay in the initial plan to ship highly enriched uranium (HEU) oxides from Portsmouth to the Y-12 site. The Department now plans to transfer this HEU oxide to the United States Enrichment Corporation (USEC) upon the successful signing of the proposed Memorandum of Understanding. The funds will be costed once the oxides are shipped to the USEC. It is estimated that the inventory will take approximately one year to be completely shipped to the USEC. These funds are still necessary to achieve the programmatic activities for which they were originally appropriated.

**Appropriation Number 89X0243, Other Defense Activities** -Exceeds the appropriation threshold by a net amount of \$239.3 million. The amount over the threshold is primarily due to two major activities: 1) Cooperative agreements related to the Materials, Protection, Control, and Accounting (MPC&A) program and the Initiatives for Proliferation Prevention (IPP) program; and, 2) the transfer of funds from other Federal agencies late in the fiscal year.

The MPC&A and IPP programs involve negotiating agreements with countries of the Former Soviet Union (FSU) which display unique characteristics resulting in higher than usual uncosted balances. First of all, DOE laboratories must have funds in hand as a demonstration of good faith before beginning contract discussions with Russian institutes. The ensuing contract negotiations may then span several months and must take advantage of limited windows of opportunity. Finally, payments are not made to Russian institutions until after acceptable deliverables are completed. These factors along with the fact that many of these agreements are multi-year result in consistently higher uncosted balances for these types of programs. These funds are still necessary to achieve the programmatic activities for which they were originally appropriated.

The funds received late in the fiscal year consist of \$36 million from the U.S. Agency for International Development (AID) late in the third quarter of FY 1997. The funds received from AID are required to complete specific projects and activities in countries of the FSU. These funds are still necessary to achieve the programmatic activities for which they were originally appropriated.

The Department has, however, identified excess balances in the Nonproliferation and National Security Program's Initiatives for Proliferation Prevention (IPP) program and has consequently reduced the FY 1999 Congressional Budget Request by \$14.6 million. Additional reductions to the FY 1999 Congressional request due to the uncosted balances identified in this report would undermine the work already performed to establish goodwill and trust with the FSU and to set the project's foundations. This would slow program momentum and delay completion schedules by

at least two years resulting in considerable financial and political costs.

**Appropriation Number 89X5068, Western Area Power Administration** - Exceeds appropriation threshold by a net amount of \$13.6 million. The over threshold amount is primarily the result of the following activities: 1) the August/September award of contracts for a replacement financial management and business information system; and, 2) a Purchase power and Wheeling program contract settlement which is pending final resolution. These funds are still necessary to achieve the programmatic activities for which they were originally appropriated. Western has also committed to use an additional \$8.1 million to offset balances in the FY 1999 Congressional Budget Request.

**Appropriation Number 89X5227, Nuclear Waste Fund** - Exceeds appropriation threshold by a net amount of \$36.6 million. The over threshold amount is primarily the result of the following activities: 1) an On-going lease liability which can not be withdrawn but is incrementally reduced on an annual basis; and, 2) August award of the Nuclear Waste Fund contract due to a major rescoping effort. These funds are still necessary to achieve the programmatic activities for which they were originally appropriated.

#### Interior and Related Agencies Appropriations

**Appropriation Number 89X0213, Fossil Energy Research and Development** - Exceeds appropriation threshold by a net amount of \$12.4 million. The over threshold amount is primarily the result of delays to Bartlesville privatization and efforts to consolidate the Energy Technology Centers. These funds are still necessary to achieve the programmatic activities for which they were originally appropriated.

**Appropriation Number 89X0215, Energy Conservation** - Exceeds appropriation threshold by a net amount of \$77.2 million. The over threshold amount is primarily the result of various interagency and cooperative agreements between the Department and: other Federal agencies; universities; or, with private sector partners in support of energy programs. Many of these agreements are multi-year in scope, and often the accounting and budgeting cycles of these partners are not in phase with that of the Department which results in significant delays in the costs appearing on DOE books. Affected programs include: the Partnership for a New Generation of Vehicles; the Federal Energy Management Program; the Industries of the Future programs; and, the federal Alternative Fueled Vehicle deployment program.

Program specific examples of over threshold activities include management contracts for the Industrial Assessment Centers (IAC) program and interagency agreements for the federal acquisition of alternative fueled vehicles. Management contracts for the IAC program are traditionally awarded to multiple universities in the second half of the fiscal year to accommodate industry schedules and ensure continuity of work. Costing for these contracts will be achieved via billings from the respective universities in the first half of FY 1998. Costing on interagency agreements for the federal acquisition of alternative fueled vehicles has been delayed due to the

unavailability of production vehicles and the need for further technology developments. The major problems have been resolved and costing should be completed by the end of fiscal year 1998.

**Appropriation Number 89X0219, Naval Petroleum and Oil Shale Reserves** - Exceeds appropriation threshold by a net amount of \$23.6 million. The over threshold amount is primarily the result of the on-going closeout of the Bechtel M&O contract at NPR-1 Elk Hills, and the phasing out of the Fluor Daniel M&O contract at NPR-3 Casper as a result of the sale of property or transfer to the Department of the Interior for leasing. The retention of these balances is necessary to cover planned and contingent costs associated with these closeout activities and any excess balances identified upon completion of these activities will be used to offset FY 2000 budget requirements.

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

APPROPRIATION	FY 1994	FY 1995	FY 1996	FY 1997
<b>ENERGY &amp; WATER DEVELOPMENT</b>				
Geothermal Resources Development Fund	313	313	46	46
Federal Energy Regulatory Commission	30,284	27,442	13,712	9,031
General Sciences & Research Activities	431,019	316,122	195,876	176,064
Energy Supply & Research Activities	2,050,192	1,992,333	1,429,033	1,157,372
Uranium Supply & Enrichment Activities	121,480	104,786	67,254	36,627
Departmental Administration	65,079	62,412	59,352	40,704
Working Capital Fund	0	0	0	1,571
Office of Inspector General	2,399	2,855	2,556	2,168
Weapons Activities	2,690,109	2,257,666	2,023,918	1,884,000
Defense Envir. Rest. & Waste Management	1,765,553	1,219,598	1,133,231	951,011
Other Defense Activities	959,253	872,093	449,448	558,193
Southeastern Power Administration	251	266	504	369
Southwestern Power Administration	19,054	13,417	7,082	6,705
Alaska Power Administration	1,104	3,557	4,441	3,349
Isotope Production & Distribution Fund a/	3,320	6,354 c/	8,096 c/	5,900
Colorado River Basins Fund a/	7,444 d/	6,271 d/	8,238 e/	22,159
Western Area Power Administration	166,684	129,479	90,767	99,918
Falcon/Amistad Op. Fund (WAPA)	0	0	0	5
Nuclear Waste Fund	78,201	83,506	33,110	68,939
Uranium Enrichment D&D Fund	88,009	73,331	25,707	28,167
Defense Nuclear Waste Disposal	0	-461	19,656	22,162
<b>TOTAL Energy &amp; Water Development</b>	<b>8,479,748</b>	<b>7,171,340</b>	<b>5,572,027</b>	<b>5,074,460</b>

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

APPROPRIATION	FY 1994	FY 1995	FY 1996	FY 1997
<b>INTERIOR</b>				
Fossil Energy Research & Development	328,005	377,680	291,758	219,354
Fossil Energy, Construction	793	751	54	0
Energy Conservation	617,262	676,803	338,938	410,676
Energy Information Administration	27,653	25,351	20,462	15,494
Economic Regulatory Administration	1,590	2,443	1,477	695
Strategic Petroleum Reserve	98,946	85,829	120,988	121,393
Naval Petroleum & Oil Shale Reserves	93,165	92,375	75,917	51,277
SPR Petroleum Account	3,077	3,116	2,359	2,369
Emergency Preparedness	2,469	1,618	867	398
Clean Coal Technology	317,276	404,046	199,605	290,257
Energy Security Reserves & Alternate Fuels Prod	10,010	9,879	9,858	9,855
<b>TOTAL Interior</b>	<b>1,500,246</b>	<b>1,679,891</b>	<b>1,062,283</b>	<b>1,121,768</b>
<b>TOTAL Other b/</b>	<b>22,030</b>	<b>17,836</b>	<b>11,722</b>	<b>9,487</b>
<b>TOTAL DEPARTMENT OF ENERGY</b>	<b>10,002,024</b>	<b>8,869,067</b>	<b>6,646,032</b>	<b>6,205,715</b>

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, and Transfer Appropriations.

c/ Adjusted for FY 1995 revenue recording error of \$19,395,000.

d/ Adjusted for errors in recording costs and revenues of \$140,856,222 that occurred before FY 1982.

e/ Adjusted for errors in recording costs and revenues of \$140,856,222 that occurred before FY 1982, and FY 1996 errors in the recording of obligations and costs of \$23,922,781.

**NOTES:**

1. These 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 1996 to FY 1997**  
**Appropriated and Reimbursable Activities**  
*(dollars in thousands)*

APPROPRIATION	1996 Total Uncosted	Increase/ (Decrease)	1997 Total Uncosted
<b>ENERGY &amp; WATER DEVELOPMENT</b>			
Geothermal Resources Development Fund	46	0	46
Federal Energy Regulatory Commission	13,712	(4,681)	9,031
General Sciences & Research Activities	195,876	(19,812)	176,064
Energy Supply & Research Activities	1,429,033	(271,661)	1,157,372
Uranium Supply & Enrichment Activities	67,254	(30,627)	36,627
Departmental Administration	59,352	(18,648)	40,704
Working Capital Fund	0	1,571	1,571
Office of Inspector General	2,556	(388)	2,168
Weapons Activities	2,023,918	(139,918)	1,884,000
Defense Envir. Rest. & Waste Management	1,133,231	(182,220)	951,011
Other Defense Activities	449,448	108,745	558,193
Southeastern Power Administration	504	(135)	369
Southwestern Power Administration	7,082	(377)	6,705
Alaska Power Administration	4,441	(1,092)	3,349
Isotope Production & Distribution Fund a/	8,096	(2,196)	5,900
Colorado River Basins Fund a/	8,238	13,921	22,159
Western Area Power Administration	90,767	9,151	99,918
Falcon/Amistad Op. Fund (WAPA)	0	5	5
Nuclear Waste Fund	33,110	35,829	68,939
Uranium Enrichment D&D Fund	25,707	2,460	28,167
Defense Nuclear Waste Disposal	19,656	2,506	22,162
<b>TOTAL Energy &amp; Water Development</b>	<b>5,572,027</b>	<b>(497,567)</b>	<b>5,074,460</b>

**U.S. DEPARTMENT OF ENERGY**  
**Uncosted Obligations Comparison of FY 1996 to FY 1997**  
**Appropriated and Reimbursable Activities**  
*(dollars in thousands)*

APPROPRIATION	1996 Total Uncosted	Increase/ (Decrease)	1997 Total Uncosted
<b>INTERIOR</b>			
Fossil Energy Research & Development	291,758	(72,404)	219,354
Fossil Energy, Construction	54	(54)	0
Energy Conservation	338,938	71,738	410,676
Energy Information Administration	20,462	(4,968)	15,494
Economic Regulatory Administration	1,477	(782)	695
Strategic Petroleum Reserve	120,988	405	121,393
Naval Petroleum & Oil Shale Reserves	75,917	(24,640)	51,277
SPR Petroleum Account	2,359	10	2,369
Emergency Preparedness	867	(469)	398
Clean Coal Technology	199,605	90,652	290,257
Energy Security Reserves & Alternate Fuels Prod	9,858	(3)	9,855
<b>TOTAL Interior</b>	<b>1,062,283</b>	<b>59,485</b>	<b>1,121,768</b>
<b>OTHER</b>			
Payments to States Under Federal Power Act	(2,649)	2,207	(442)
Trust Funds - Advances for Co-Sponsored Work	11,587	(1,687)	9,900
Transfer Appropriations	2,784	(2,755)	29
<b>TOTAL Other</b>	<b>11,722</b>	<b>(2,235)</b>	<b>9,487</b>
<b>TOTAL DEPARTMENT OF ENERGY</b>	<b>6,646,032</b>	<b>(440,317)</b>	<b>6,205,715</b>

a/ Uncosted revolving fund balances

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

APPROPRIATION	1997 Total Uncosted	Uncosted Threshold	Variance (Net)
<b>ENERGY &amp; WATER DEVELOPMENT</b>			
Geothermal Resources Development Fund	46	0	46
Federal Energy Regulatory Commission	9,031	31,515	(22,484)
General Sciences & Research Activities	176,064	248,998	(72,934)
Energy Supply & Research Activities	1,157,372	1,208,127	(50,755)
Uranium Supply & Enrichment Activities	36,627	23,212	13,415 *
Departmental Administration	40,704	54,155	(13,451)
Working Capital Fund	1,571	17,554	(15,983)
Office of Inspector General	2,168	5,773	(3,605)
Weapons Activities	1,884,000	2,088,916	(204,916)
Defense Envir. Rest. & Waste Management	951,011	1,162,178	(211,167)
Other Defense Activities	558,193	318,881	239,312 *
Southeastern Power Administration	369	4,877	(4,508)
Southwestern Power Administration	6,705	5,469	1,236
Alaska Power Administration	3,349	566	2,783
Isotope Production & Distribution Fund (Revolving)	5,900	5,900	0
Colorado River Basins Fund (Revolving)	22,159	22,159	0
Western Area Power Administration	99,918	86,340	13,578 *
Falcon/Amistad Op. Fund (WAPA)	5	199	(194)
Nuclear Waste Fund	68,939	32,296	36,643 *
Uranium Enrichment D&D Fund	28,167	33,897	(5,730)
Defense Nuclear Waste Disposal	22,162	31,512	(9,350)
<b>TOTAL Energy &amp; Water Development</b>	<b>5,074,460</b>	<b>5,382,524</b>	<b>(308,064)</b>

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

APPROPRIATION	1997 Total Uncosted	Uncosted Threshold	Variance (Net)
<b>INTERIOR</b>			
Fossil Energy Research & Development	219,354	206,855	12,499 *
Fossil Energy, Construction	0	0	0
Energy Conservation	410,676	333,435	77,241 *
Energy Information Administration	15,494	14,127	1,367
Economic Regulatory Administration	695	953	(258)
Strategic Petroleum Reserve	121,393	134,068	(12,675)
Naval Petroleum & Oil Shale Reserves	51,277	27,708	23,569 *
SPR Petroleum Account	2,369	38	2,331
Emergency Preparedness	398	156	242
Clean Coal Technology	290,257	306,519	(16,262)
Energy Security Reserves & Alternate Fuels Prod	9,855	0	9,855
<b>TOTAL Interior</b>	<b>1,121,768</b>	<b>1,023,859</b>	<b>97,909</b>
<b>OTHER</b>			
Payments to States Under Federal Power Act	(442)	(422)	(20)
Trust Funds - Advances for Co-Sponsored Work	9,900	9,900	0
Transfer Appropriations	29	29	0
<b>TOTAL Other</b>	<b>9,487</b>	<b>9,507</b>	<b>(20)</b>
<b>TOTAL DEPARTMENT OF ENERGY</b>	<b>#REF!</b>	<b>#REF!</b>	<b>#REF!</b>

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

NOTES:

- 1) It is important to note that the variances presented in this chart are "NET" variances at the field element level which have been summarized based on detailed analyses performed at individual Field elements. The detailed analyses calculate thresholds at the obligational control levels and as such specific field element variances may actually contain a combination of overages and underages to arrive at a net Departmental figure.
- 2) Includes reimbursable and appropriated activities and excludes Bonneville Power Administration
- 3) Threshold amounts for reimbursable work, Line item construction, and some Grants, and Cooperative agreements are set at 100% as these activities inherently display a higher level of uncosteds 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  
 ANALYSIS OF FY 1997 UNCOSTED BALANCES  
 SITE/PROGRAM SUMMARY FOR (INSERT PROGRAM or OPS OFFICE NAME)  
 (Dollars in Thousands)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
Asst. Sec.	Appropriation Number	Control Level B&R (Base Table)	Total Cost for Site - Federal (contractors shown separately below) (F+H+K+M+O+Q)	Total Uncosted For Site - Federal (Contractors shown separately below) (G+I+L+N+P+R)	Total M&O / IMC Costs	Total M&O / IMC Uncosted	Total Prime & Other Operating Costs	Total Prime & Other Operating Uncosteds	Prime Uncost. as a % of Total Prime Costs (I / H)	Total Grant, CRADA and Other Cooperative Agreement Costs	Total Grant, CRADA and Other Cooperative Agreement Uncosted	Costs of Reimbursable Work & Transfer Appropriations	Reimbursable Work & Transfer Appropriation Uncosteds	Total Line Item Construction Costs
DP	89X0240	DP02	25,000	5,000			5,000	1,000	20%	20,000	4,000			
DP	89X0240	39DP04	1,000	500										1,000
EM	89X0243	EM01 (OP)	17,000	1,000			17,000	1,000	6%					
EM	89X0243	EM01 (CE)	1,500	250										
EM	89X0243	40	10,000	6,000								10,000	6,000	
EM	89X0243	82	20,000	18,000								20,000	18,000	
FE	89X0213	FE01	2,250	400			2,250	400	18%					
FE	89X0213	FE02	18,000	3,200						18,000	3,200			
FE	89X0213	39	40,125	19,500										40,125
<b>CONTRACTOR TOTALS</b>														
	M&O #1		250,861	48,161	250,861	48,191								
	M&O #2		0	0	0	0								
<b>SITE TOTALS</b>			385,736	102,011	250,861	48,191	24,250	2,400	10%	38,000	7,200	30,000	24,000	41,125



**U.S. DEPARTMENT OF ENERGY**  
**Use of Prior Year Balances**  
**As of January 20, 1998**  
*(dollars in thousands)*

	<b>FY 1998 Use of Prior Year Balances</b>	<b>FY 1999 Use of Prior Year Balances</b>
Energy Supply Research & Development	\$32,339	\$17,000
General Sciences & Research Activities	48,800	7,600
Departmental Administration	2,623	0
Inspector General	0	0
Weapons Activities	2,608	0
Defense Env. Restoration and Waste Mgmt.	7,405	0
Other Defense Activities	6,047	0
Southeastern Power Administration	4,000	2,000
Southwestern Power Administration	1,290	0
Western Area Power Administration	41,081	8,141
<b>SUB TOTAL</b>	<b>\$146,193</b>	<b>\$34,741</b>
Other Uses of Prior Year Balances		\$14,600 *
<b>TOTAL</b>	<b>\$146,193</b>	<b>\$49,341</b>

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

\* Includes a one time reduction to the FY 1999 budget request for the Nonproliferation and National Security Program's Initiatives for Proliferation Prevention program (89X0243).

