

2003 BUDGET - Aug 21, 2001 Protocols Manual, Phase I Startup
Approved by Board Action 1/8/2003 Board Meeting

	Dec '02	Jan '03	Feb '03	Mar '03	Apr '03	May '03	Jun '03	Jul '03	Aug '03	Sep '03	Oct '03	Nov '03	Dec '03	2003 TOTALS
CASH AND INCOME														
Cash Carry Over From Previous Month	130,819	132,934	145,102	132,459	132,690	138,676	135,816	128,895	136,827	134,724	129,742	136,827	136,057	
Membership Dues	1,000	5,760	-	-	-	-	-	-	-	-	-	-	-	5,760
Tariff (Loan)	39,765	39,476	39,058	38,897	38,584	38,318	-	-	-	-	-	-	-	194,333
Tariff (O&M ISA)	25,313	24,197	17,789	30,433	30,202	24,215	27,075	33,997	26,064	28,168	33,149	26,064	26,834	328,189
Misc. Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH IN TOTAL	196,897	202,367	201,950	201,788	201,475	201,210	162,891	162,891	162,891	162,891	162,891	162,891	162,891	
CASH IN without CARRY OVER	66,078	69,433	56,848	69,330	68,785	62,533	27,075	33,997	26,064	28,168	33,149	26,064	26,834	528,281
EXPENSES														
Insurance														
Workers Compensation	-	-	-	-	-	-	-	-	612	-	-	-	-	612
D&O, Liability, and E&O Insurance	1,402	1,402	6,835	3,285	1,883	1,883	6,735	3,564	4,164	3,564	3,564	3,564	1,681	42,124
Payroll and Relocation Expenses														
Includes Payroll, Benefits and Relocation	15,112	16,921	16,921	16,921	16,921	16,921	16,921	16,921	16,921	16,921	16,921	16,921	16,921	203,048
Professional Fees														
Accounting and EOY Acct & Tax Preparation	1,332	700	700	700	700	1,200	700	700	700	700	700	700	700	8,900
Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FERC and Local Legal Fees	691	2,500	1,200	1,200	1,200	2,500	1,200	1,200	1,200	2,500	1,200	1,200	1,200	18,300
Office Expenses and Supplies														
Office Furniture and Supplies	249	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Rent	4,041	-	-	4,041	-	-	4,041	-	-	4,041	-	-	4,041	16,164
Postage and Delivery	673	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Printing and Reproduction	260	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Telephone	304	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Dues and Subscriptions	-	50	50	50	50	50	50	50	50	50	50	50	50	600
Web Page and Internet	44	110	110	110	110	110	110	110	110	110	110	110	110	1,320
Travel & Entertainment														
Meals	-	200	100	100	100	200	100	100	100	1,200	100	300	300	2,900
Travel	91	200	900	200	200	900	200	200	900	200	200	700	200	5,000
Other Expenses														
Credit--Membership Dues	-	(6,760)	-	-	-	-	-	-	-	-	-	-	-	(6,760)
Az ISA CORE EXPENSES - TOTAL	24,197	16,172	27,666	27,456	22,014	24,614	30,906	23,695	25,607	30,136	23,695	24,395	26,053	302,409
Budget Contingency	-	1,617	2,767	2,746	2,201	2,461	3,091	2,369	2,561	3,014	2,369	2,439	2,605	30,241
EXPENSES PLUS CONTINGENCIES - TOTAL	24,197	17,789	30,433	30,202	24,215	27,075	33,997	26,064	28,168	33,149	26,064	26,834	28,658	332,650
Capitalization Loan plus Accrued Interest														
Adjust Debt Repayment for 3 Month O&M Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Repayment	39,765	39,476	39,058	38,897	38,584	38,318	-	-	-	-	-	-	-	194,333
Total Debt Repayment	39,765	39,476	39,058	38,897	38,584	38,318	-	-	-	-	-	-	-	194,333
Az ISA EXPENSES - TOTAL	63,963	57,265	69,491	69,099	62,799	65,393	33,997	26,064	28,168	33,149	26,064	26,834	28,658	526,982
CASH REMAINING (Deficit)	132,934	145,102	132,459	132,690	138,676	135,816	128,895	136,827	134,724	129,742	136,827	136,057	134,233	134,233
Phase 1, Startup														
AZ ISA Functions: 1- Limited Oversight of Az ISA Protocols 2- Provide ADR Services 3- Manage limited Az ISA Website														
* Two full time Az ISA employees.														
Payroll includes benefits and FICA taxes														
* Cash reserve (As shown in Cash Remaining) equal to approximately 3 months' O & M expenses														

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Budget Assumptions

Annual revenue required to support three Az ISA functions approved for implementation by FERC: (1) Limited oversight of Az ISA protocols, (2) ADR services and (3) develop and manage a limited Az ISA website. See below for explanation

CASH AND INCOME	
Cash Carry Over From Previous Month	Amount carried forward from last month's Cash Remaining
Membership Dues	Az ISA annual membership fees. \$250 per member. Estimate 27 members for 2003
Tariff (Loan)	Amount collected by the Az ISA under the Az ISA FERC tariff for repayment of startup funds advanced by the participating transmission providers.
Tariff (O&M ISA)	Amount collected by the Az ISA under the Az ISA FERC tariff for Az ISA operating costs
Misc. Income	Used for other income
CASH IN - TOTAL	Total of all income
EXPENSES	
Insurance	
Workers Compensation	State workers compensation premium
D&O, Liability, and E&O Insurance	Insurance premiums for Directors and Officers, Errors and Omissions, and general business liability coverage. D&O and E&O includes an estimated 20% increase in premiums for 2003
Payroll and Relocation Expenses	
Includes Payroll, Benefits and Relocation	Payroll includes: Salary, benefits, company paid FICA taxes, company paid unemployment taxes, and 3% increase for 2003
Professional Fees	
Accounting and EOY Acct & Tax Preparation	CPA services for end of month/end of year accounting, IRS and State tax return preparation, and payroll preparation
Consulting	For technical, computer and management consulting
Contract Labor	For temporary administrative support
FERC and Local Legal Fees	Az ISA local attorney [Low and Childers], and FERC attorney [Huber Lawrence and Abell] --Monthly legal expense estimates for routine business matters, only.
Office Expenses and Supplies	
Office Furniture and Supplies	Computer equipment, office furniture, and office supplies
Rent	WAPA office lease. Lease Includes: 10 local telephone lines, voice mail, internet analog lines, electricity, 24 hr security, janitorial, and parking
Postage and Delivery	WAPA contract mail service (includes twice daily PO Box pickup and delivery). Stamps.
Printing and Reproduction	Az ISA use of WAPA's copier,
Telephone	AT&T Long distance service, Qwest conferencing services, long distance access, and wireless phone
Dues and Subscriptions	IEEE, and Daily Electric Power news
Web Page and Internet	Web site hosting, domain registration, and 2 ISP connections
Travel & Entertainment	
Meals	Board meetings, OC and other Az ISA meetings, Annual Members' meeting
Travel	POV (Bank, post office, office supplies, etc), Meetings requiring air travel (WECC, FERC, Other), requiring surface travel (CATS, other regional transmission study meetings, ACC)
Other Expenses	
Credit--Membership Dues	Adjustment to cash carryover
Az ISA CORE EXPENSES - TOTAL	Total of operating expenses
Budget Contingency	10% budget contingency amount added to Az ISA O&M expenses column (Az ISA CORE EXPENSES - TOTAL)
EXPENSES PLUS CONTINGENCIES - TOTAL	
Capitalization Loan plus Accrued Interest	
Adjust Debt Repayment for 3 Month O&M Expenses	Current monthly loan balance
Debt Repayment	Any adjustments to current payment
Total Debt Repayment	Current month's debt repayment
Az ISA EXPENSES - TOTAL	Amount repaid
Az ISA EXPENSES - TOTAL	Sum of Cash In, Expenses and Debt Repayment
CASH REMAINING (Deficit)	Sum of (Cash Carry Over From Previous Month) and (Az ISA EXPENSES - TOTAL)