



The City of Dover

Customer Service Department
5 E Reed Street ~ P.O. Box 475
Dover, DE 19903-7100

July 1, 2022

Dear Valued City of Dover Customers,

The city is experiencing the same type of increases that you are, and we understand the difficulties that this brings. In the Electric Department we have seen dramatic increases in the prices for materials and almost a 12 month increase in lead times to receive our orders. This is not just a regional issue but one that is affecting all utilities across the nation. We are reaching out to as many sources as we can to make sure there are minimal, if any, disruptions to you, as our customer.

Adding to our challenges is the increase in the cost of purchasing power and fuel costs, the price of natural gas is determined on the open market and influenced by both national and international events. Since July 2021, the price of natural gas has more than doubled. It is the highest it has been in almost 15 years, and it is expected to go even higher. Aside from natural gas increases, coal fired plants (that supply base load power to the grid) are experiencing supply chain issues and increased transportation costs associated with the mining and movement of coal to the plants. These cost increases are seen on the power we purchase to supply to you the customer. By proactively hedging our long-term power purchases and diversifying our power purchase portfolio to include renewables, we have been able to minimize these fluctuations in pricing. We have also utilized our "savings plan", a Rate Stabilization Fund, and cash reserves to help slow the impact on you. The city has been able to avoid passing these costs on to the customer but unfortunately, we cannot do this any longer. Despite our strategies, we are continually seeing month over month revenue decreases that do not allow us to merely break even financially.

All customers can expect to see changes on your utility bill. Despite our best efforts to reduce our costs the external increases are beyond our control for trash service, water/wastewater and electric.

For up-to-date information regarding the rate changes to your bill please visit our website at:
www.cityofdover.com/news-and-information-1

We value our City of Dover customers and thank you for the opportunity to serve you.

Sincerely,

City of Dover

Community Excellence Through Quality Service