UTILITY COMMITTEE
AGENDA

MARCH 9, 2015 - 5:15 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

PUBLIC COMMENTS ARE WELCOMED ON ANY ITEM AND WILL BE PERMITTED AT APPROPRIATE TIMES. WHEN POSSIBLE, PLEASE NOTIFY THE CITY CLERK (736-7008 OR E-MAIL AT CITYCLERK@DOVER.DE.US) SHOULD YOU WISH TO BE RECOGNIZED.

AGENDA ADDITIONS/DELETIONS

1. **ACCEPTANCE OF WASTEWATER FROM THE PROPOSED WINDING CREEK DEVELOPMENT (OUTSIDE CITY OF DOVER LIMITS)**
   (STAFF RECOMMENDS AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT TO ACCEPT WASTEWATER FROM THE WINDING CREEK DEVELOPMENT)

2. **PROPOSAL TO PERFORM REVIEW AND UPDATE OF THE ELECTRIC SYSTEM FINANCIAL MODEL, COMPLETE COST OF SERVICE ANALYSIS, AND DEVELOP PROPOSED RATE ADJUSTMENTS**
   (STAFF RECOMMENDS ACCEPTANCE OF THE BURNS & MCDONNELL GROUP PROPOSAL)

3. **TEA/NAES REPORT (*JANUARY*)**
   (STAFF RECOMMENDS ACCEPTANCE OF THE REPORT)

4. **GARRISON OAK TECHNICAL PARK PROJECT UPDATES**
   (COMMITTEE ACTION NOT REQUIRED ON THE BELOW ITEMS)
   - **A. CITY INFRASTRUCTURE**
   - **B. CALPINE ENERGY CENTER**
   - **C. DOVER SUN PARK**

5. **ADJOURNMENT BY 5:55 P.M.**

/TM
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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

ACTION FORM

PROCEEDING: Utility Committee	**AGENDA ITEM**:
DEPARTMENT OF ORIGIN: Public Works	**DATE SUBMITTED**: 02/27/15
PREPARED BY: Sharon J. Duca, P.E., Public Works Director / City Engineer	
SUBJECT: Acceptance of Wastewater – Winding Creek Development (Outside of City Limits)	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: City Manager	
EXHIBITS: 1)Aerial Exhibit, 2)Rates & Tariff	
EXPENDITURE REQUIRED: $ N/A	**AMOUNT BUDGETED**: $ N/A
FUNDING SOURCE (Dept./Page in CIP & Budget): N/A	
TIME TABLE: Agreement with Developer will be created upon action by City Council.	
RECOMMENDED ACTION: Granting authorization to the City Manager to enter into an agreement to accept wastewater from Winding Creek Development	

BACKGROUND AND ANALYSIS

Winding Creek Delaware, LLC, is proposing to construct a new 208 unit residential community west of the City of Dover. Kent County prefers a central disposal methodology, as opposed to on-site solution within the development. To meet the requests of the County it is proposed to provide wastewater service is through an on-site pump station that will send the effluent to the City of Dover wastewater system.

A technical feasibility study was conducted by Morris & Ritchie Associates, Inc. (Consulting Engineer) which evaluated the impacts of the projected sewage flow on the existing sanitary sewer system that is owned by the City of Dover and operated by the Department of Public Works. Staff reviewed the technical feasibility study and has required improvements to existing infrastructure to be made by the developer of the residential community. Said improvements will be the sole financial responsibility of the developer. All system improvements must be complete, operational and approved by the City prior to accepting wastewater flow from the community. Additionally, a legal agreement must be finalized between the City of Dover and Winding Creek Delaware, LLC with respect to service rates and impact fees.

According to the Kent County Department of Public Works, the amount of wastewater produced by this development can be assimilated into the current allocations under the current Contract User Agreement with Kent County.

Due to the above, the City of Dover Department of Public Works recommends acceptance of wastewater from the proposed Winding Creek development and that City Council grant authorization to the City Manager to enter into an agreement with Winding Creek Delaware, LLC.

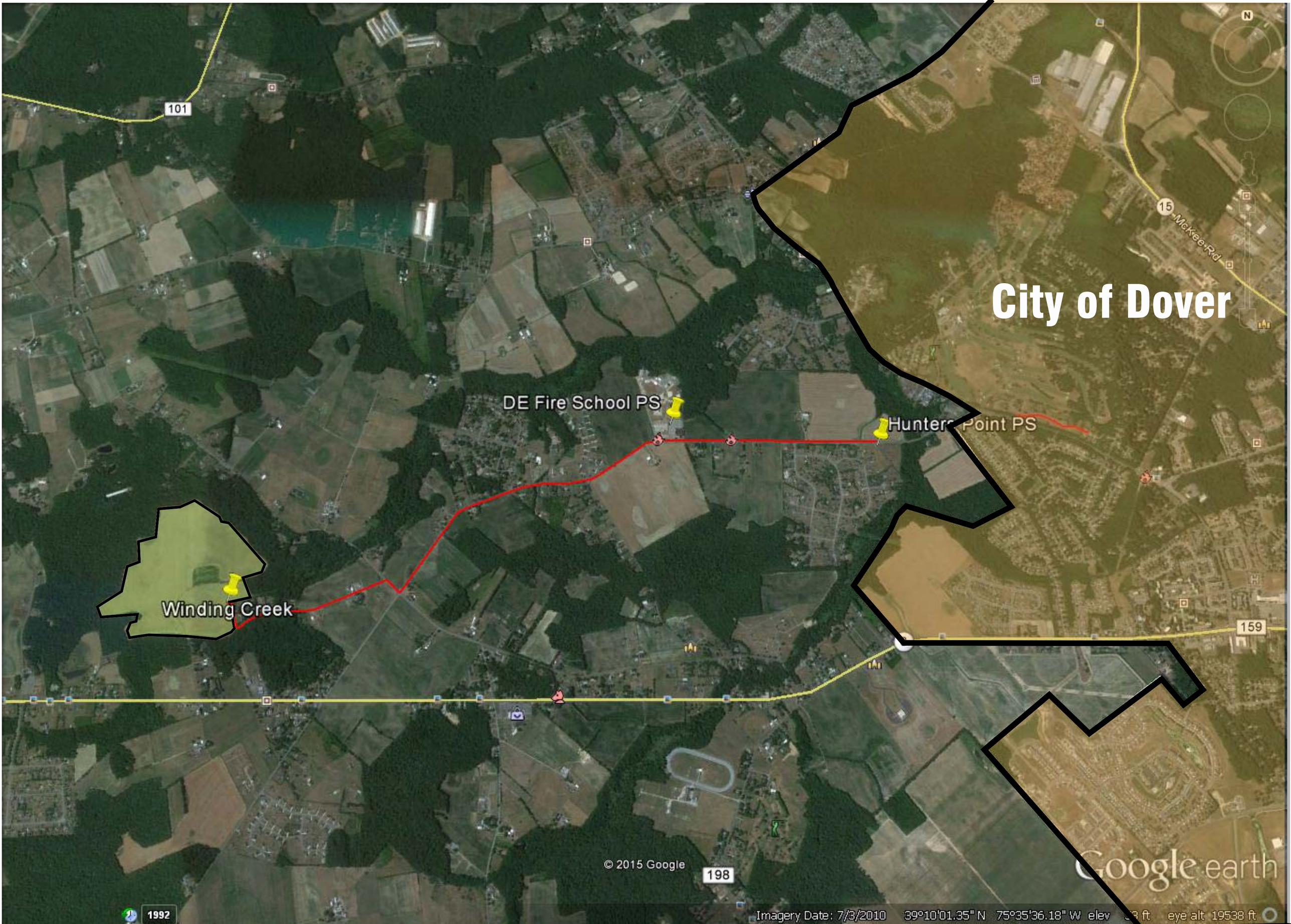
Estimated Fiscal Impact (208-unit Residential Community) using current out-of-city rates & fees:

Impact Fees: $6,184.00 / E.D.U. ($2,100 COD Water, $1,900 COD Sewer, $2,080 KC Sewer, $104 COD Admin Fee)
X 208 units = $1,286,272.00 (To be received over a 5-7 year period) - $853,632 to the City of Dover; balance to K.C.

Estimated Monthly Sewer Bill: 208 units X 7 Tgals/month = 1,456 Tgals X $7.82 / Tgals = $11,385.92 + $2.50 = $11,388.42

Estimated Monthly Expenses: 1,456 Tgals X ($2.34 + $1.50 + $2.45 / Tgals) = $9,158.24

Estimated Net Revenue: $11,388.42 - $9,158.24 = $2,230.18 per month at full build-out


101
15
McKee Rd
City of Dover
DE Fire School PS
Hunters Point PS
Winding Creek
159
198
© 2015 Google
Google earth
1992
Imagery Date: 7/3/2010 39°10'01.35" N 75°35'36.18" W elev ft eye alt 19538 ft

WATER, SEWER, KENT COUNTY SEWER ADJUSTMENT AND GROUND WATER INFLOW ADJUSTMENT RATES

Water:	WITHIN CITY	OUTSIDE CITY
Customer Charge	2.50	2.50
Water Rate	3.00/1,000 gallons	4.50/1,000 gallons

Sewer:	WITHIN CITY	OUTSIDE CITY
Customer Charge	2.50	2.50
Sewer Rate	2.65/1,000 gallons	3.98/1,000 gallons

Kent County Sewer Adjustment:	WITHIN CITY	OUTSIDE CITY
	2.34/1,000 gallons	2.34/1,000 gallons

Ground Water Inflow Adjustment	WITHIN CITY	OUTSIDE CITY
	1.50/1,000	1.50/1,000

Sewer charges are based on usage reported on water meters (WMT), and sewer meters (SMT). The sewer rate is 2.65/1,000 gallons for those within the City and 3.98/1,000 gallons for those outside the City Limits.

Kent County Sewer Adjustments is based on sewer usage. The rate for Kent County Sewer Adjustment is 2.34/1,000 gallons and is set by the Kent County Sewer Authority. All revenue produced by this charge is forwarded to the Sewer Authority.

Effective Date: July 1, 2014

ACTION FORM

PROCEEDING: Utility Committee Meeting	**DATE:** March 9, 2015
DEPARTMENT OF ORIGIN: Finance Department	**DATE SUBMITTED**: 02/27/15
PREPARED BY: Scott Koenig, City Manager & Donna Mitchell, Controller/Treasurer	
SUBJECT: Electric – Cost of Service & Rate Design Study	
REFERENCE: N/A	
RELATED PROJECT: FY16 Budget & Five Year Forecast	
APPROVALS: Committee/Council	
EXHIBITS: N/A	
EXPENDITURE REQUIRED: **$28,500**	
TIMETABLE: To Be Completed by May 4, 2015	
RECOMMENDED ACTION: As outlined in the attached proposal, staff recommends the Cost of Service and Rate Design Study for FY 16 by the Burns & McDonnell Group.	

In light of recent changes in the City's power supply requirements, staff is recommending an update to the electric rate study and forecast by Burns & McDonnell under the continuity of service provision of the purchasing policy. A copy of the proposal that outlines the scope of service is attached for further review.

These changes are as listed below:

1. The changes in the load profile for NRG created revenue shortfalls in FY14. The cost of service rate was previously developed on a lower load and demand profile than they are using today.
2. The forecasted load is flat, therefore rates will need to be adjusted to pick up the fixed cost not being covered.
3. PJM has made recent changes to the capacity performance rules. (A presentation is planned for March 23 to review with the Utility Committee these changes)
4. PJM is now requiring more oil inventory due to last year's polar vortex.
5. The City's commercial rates are not competitive with other public power suppliers in the State and staff is requesting cost of service allocations be validated and updated.

The fee proposed by Burns & McDonnell is the same fee that was paid in the last full cost of service analysis in 2012.

February 26, 2015

Ms. Donna S. Mitchell, CPA
Controller/Treasurer
City of Dover
5 East Reed Street
Weydandt Hall, Suite 300
Dover, DE 19901

Subject: Proposal to Perform Review and Update of the Electric System Financial Model, Complete Cost of Service Analysis, and Develop Proposed Rate Adjustments

Dear Ms. Mitchell:

Burns & McDonnell is pleased to submit this letter proposal to perform a review and update of the Dover Electric System financial forecasts and assist with rate development for implementation in Fiscal Year (FY) 2016. Burns & McDonnell is prepared to complete a review of the FY 2015 Electric System financial forecast initially updated by the City of Dover then prepare an update of the cost of service analysis. Once these efforts are completed, we will perform rate development utilizing the most recently developed cost-of-service analysis.

Scope of Work

The major elements of the proposed Scope of Work include review of the financial forecast for 2015 and the subsequent four years, incorporating the resulting test year data in the most recently completed cost-of-service allocations, and review of the resulting cost based electric rates resulting from the financial forecast and cost-of-service elements of the spreadsheet model.

The major elements of the proposed Scope of Work include the following:

1. Review and Update Financial Forecast
2. Update Cost-of-Service Analysis
3. Review Electric Rates and Prepare Necessary Revisions

Review Financial Forecast

Burns & McDonnell will review the financial forecast model initially updated by the City. The financial forecast is utilized to determine the adequacy of revenues for a five-year forecast period. The updated financial forecast includes projections of annual revenues under existing rates and the annual revenue requirement, including purchased power costs, all operating expenses, capital requirements, debt service requirements, and reserve requirements, by year for the forecast period. The financial forecast model identifies the overall change in revenue required to provide for adequate funding for capital improvement programs, to meet all recurring annual operating and capital expenditures, to cover all debt service requirements, and to maintain sufficient cash balances and capital reserves.

Prior to finalization of the financial forecast model, the City and Burns & McDonnell will agree on the updated financial forecast model results and the assessment of estimated impacts on the revenue requirements of the Electric System. Burns & McDonnell and the City will conduct a conference call to review the model results and discuss any necessary revisions.

Update Cost-of-Service Analysis

Burns & McDonnell will next incorporate the updated test year data resulting from the financial forecast into the cost-of-service analysis model previously prepared by Burns & McDonnell in the last rate study update completed for the City. This analysis will be completed using FY 2016 as the test year. The cost-of-service analysis will include the development of updated allocation factors based on Dover data and assumptions, as appropriate, which will serve as the bases for functionalizing and unbundling of costs.

Prior to finalization of the cost-of-service analysis, the City and Burns & McDonnell will discuss and agree on the revisions to the model based on the FY 2016 test year and the assessment of estimated impacts on the cash flow of the Electric System. Burns & McDonnell and the City will discuss the cost-of-service analysis model in a meeting at the City's offices.

Review Electric Rates and Prepare Necessary Revisions

Burns & McDonnell will update the rate model to reflect the financial forecast and cost-of-service results. The update to the rate model will reflect the most recently completed fiscal year's billing data. This billing data along with the rate model output will be reviewed by Burns & McDonnell to determine if the resulting rates would generate the necessary revenues as determined in the cost-of-service analysis model.

If modifications are necessary for the resulting rates, Burns & McDonnell will develop rate revisions for consideration by the City. This phase of the Study will be the most demanding due to the specific objectives which must be met in the design of rates. This phase of the Study will require extensive communication and coordination with the City.

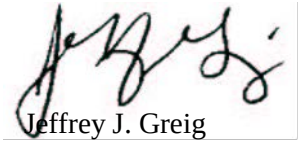
Proposed Budget

Burns & McDonnell proposes to perform the proposed services for a lump sum fee of $28,500. This fee is based on the required effort for completing the desired services. This fee includes expenses for one trip to Dover to review preliminary forecast results. If additional meetings in Dover are requested they can be completed for additional fees to cover time and expenses.

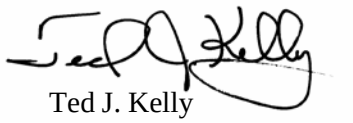
Burns & McDonnell appreciates the opportunity to provide the City of Dover continued service in these important matters. Should you have any questions regarding the material presented herein please call Ted Kelly at (816) 822-3208. If this proposal for the review and update services is acceptable please indicate by signing below and returning one copy of the letter.

Sincerely,

BURNS & McDONNELL



Jeffrey J. Greig
Senior Vice President



Ted J. Kelly
Project Director

JJG/TJK

Authorization for Model Review, Cost of Service Analysis, and Rate Development Services
Accepted by:

_____

The Energy Authority, Inc.

Monthly Management Committee Update – January 2015

February 26, 2015

Prepared by:

Robert Trinnear
Client Services Manager
904.360.1309
rtrinnear@teainc.org

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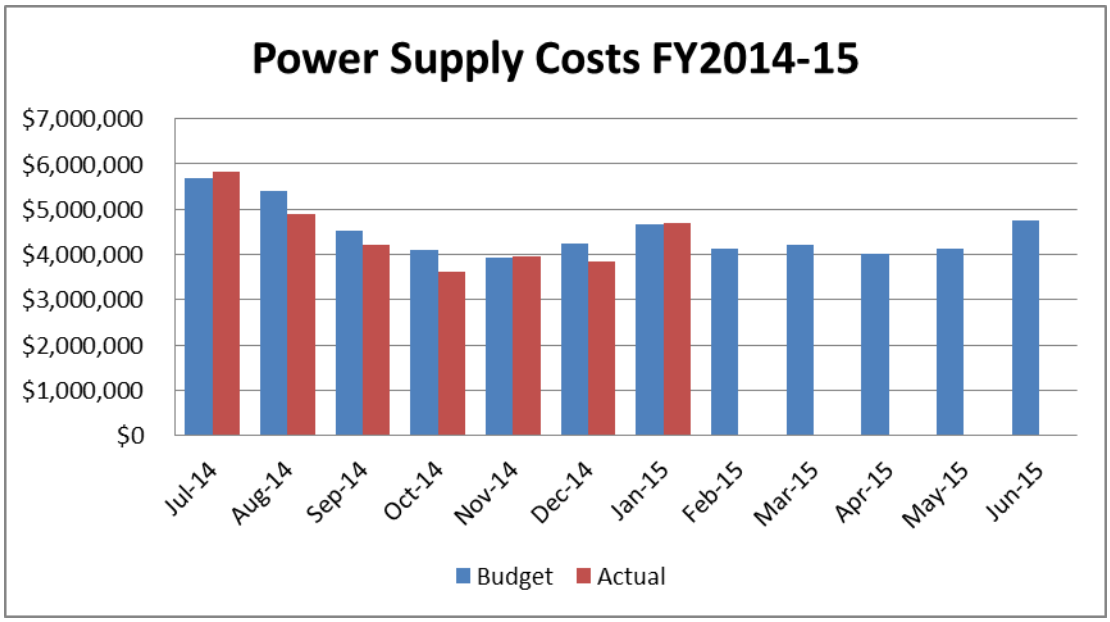
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I. Executive Summary

A. Power Supply Summary:



Overall Power Supply costs were $42,952 above budget driven by higher load.

Dover's budgeted cost for all power supply (capacity AND energy) was $75.82/MWh. The actual cost of all power supply (capacity AND energy) was $70.86/MWh. The positive $4.96 budget variance was driven by PJM fees.

The cost of energy alone was $50.26/MWh, versus a budgeted energy cost of $48.29 driven by higher market prices.

Dover's hedge purchases totaled 50,040 MWh, which was 75% of the actual load. The budgeted hedge purchase totaled 33,624, which was 55% of the budgeted load.

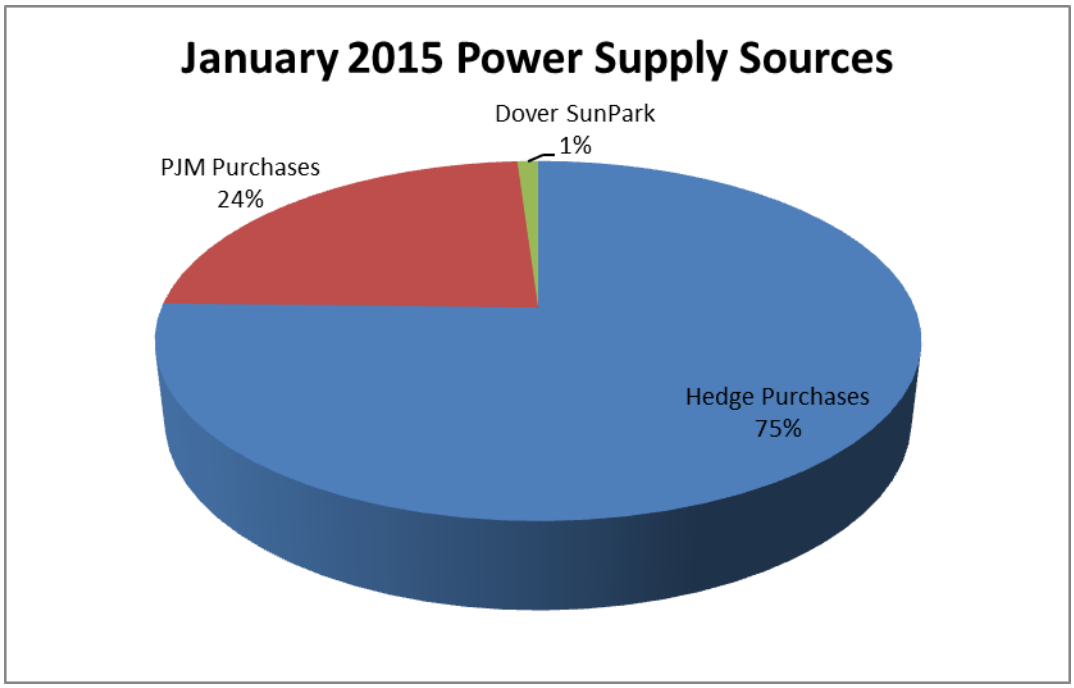
Dover's power purchases from hedge transactions totaled $2,298,382. Purchases from PJM (energy and fees) totaled $1,419,876. This number includes DA spot market energy charges of $596,388 and Network Integration Transmission Service charges of $397,786. Reactive Services charges were $2,528.

Dover's total load was 66,380 MWh versus a forecasted load of 61,473 MWh.

Dover's planned energy purchase from the SunPark solar installation was 922 MWh. Dover's actual energy purchase from the SunPark installation was 695 MWh.

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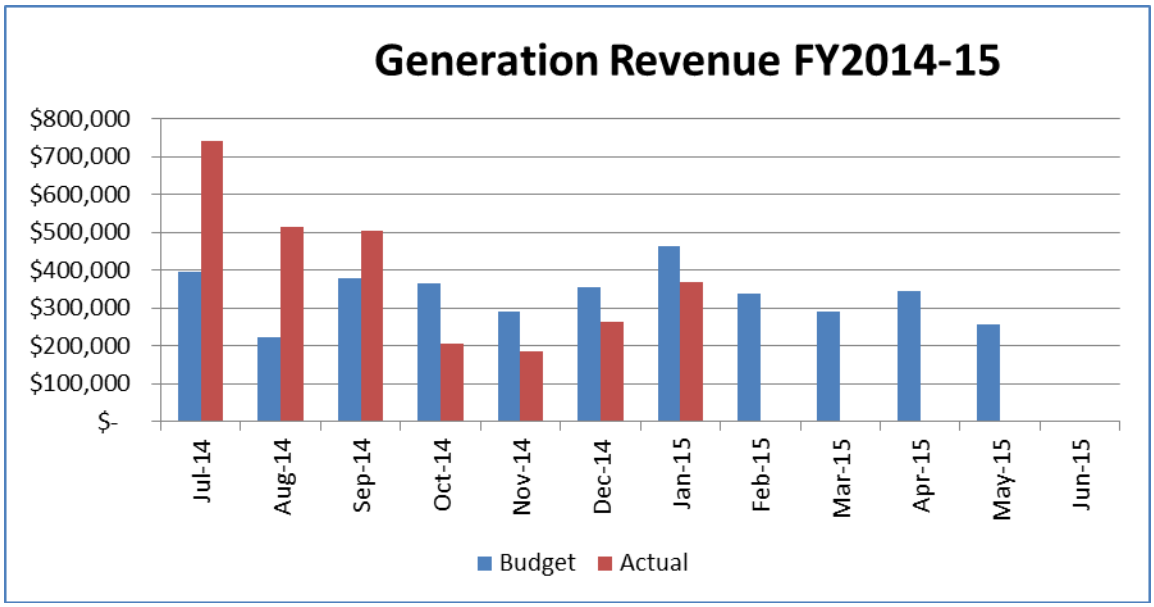
Supply Source Summary:



Supply Variance:

	Budget	Actual	Variance
Gross Load	61,473	66,380	(4,908)
Wholesale Load	60,551	65,685	(5,135)
Hedged Volume (MWh)	33,624	50,040	(16,416)
Unhedged Volume (MWh)	26,927	15,645	11,281
Dover SunPark Volume (MWh)	922	695	227
Renewable Energy Credits Volume	138	71	67
Hedged Cost ($/MWh)	$ 48.76	$ 45.93	$ 2.83
Unhedged Energy Cost ($/MWh)	$ 45.41	$ 61.19	$ (15.78)
Solar Energy Cost ($/MWh)	$ 115.12	$ 115.93	$ (0.81)
Energy Costs ($/MWh)	**$48.29**	**$50.26**	**($1.97)**
All-in Costs - Energy, Capacity and RECs ($/MWh)	**$75.82**	**$70.86**	**$4.96**

B. Generation Summary:



Dover generated 0 MWh in the month. Net generation revenue was $370,223 vs. a budget of $464,214.

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Generation Breakdown:

City of Dover

Monthly Wholesale Generation

January 2015

Net Generation
0.00

Production Margin

				Formula
PJM - Generation				
	Economic and Reliability Dispatch	$	-	A
Natural Gas & Oil Consumption				
	Purchases for Generation	$	-	
	Natural Gas Transport	$	-	
	Eastern Shore Cashout	$	-	
	Oil Consumption	$	-	
	Subtotal: Natural Gas & Oil Consumption	$	-	B
Gross Production Margin		$	-	C = (A + B)
$/MWh Generation Production Gross Margin		$	-	E = (C/D)
PJM - Capacity				
	Generation Capacity Credit	$	725,758.98	
	Reactive Supply and Transmission Losses	$	64,547.72	
	Subtotal: PJM - Capacity	$	790,306.70	F
All in Generation Margin				
	All in Generation Margin Total	$	790,306.70	(G = C + F)

C. Emissions Summary:

Emissions Allowance Summary through January 31, 2015

Due to a series of federal court decisions discussed in previous monthly reports, beginning January 1, 2015 the reinstated CSAPR replaces CAIR. The final CAIR true-ups for 2014 will occur in 2015, after which CAIR allowances will have no value. EPA CAMD will remove all post-2014 CAIR allowances from the Allowance Tracking System on March 3, 2015.

While Delaware was included in the CAIR footprint, it is not included in the CSAPR footprint. CAIR allowances cannot be used for CSAPR compliance. A separate Clean Air Act acid rain deposition control program governs the Clean Air Act Title IV SO_2 national allowance trading program, and this will remain in effect, however the CAIR provisions for SO_2 have been eliminated for sources in Delaware.

Starting with this month's report, the detailed history of CAIR allowances has been removed. The table below presents estimated market value for residual CAIR NOx allowances and the Title IV SO_2 allowances. Market prices were provided by Evolution Markets (http://www.evomarkets.com/) and Bloomberg Finance L.P.

Mark Value for CAIR Allowances			
Commodity	**$/Ton February, 2015**	**Tons**	**Market Value**
SO_2 Allowances – Title IV	$0.375	15,028	$ 5,635
NO_x Allowances - Seasonal	$0.00[1]	99	0
NO_x Allowances - Annual	$ 3.75	201	754
TOTAL			**$ 6,389**

Regional Greenhouse Gas Initiative

The State of Delaware is a participant in the Regional Greenhouse Gas Initiative (RGGI). The City of Dover must comply with RGGI by surrendering carbon dioxide (CO_2) allowances pursuant to the State of Delaware's laws (Title 7, Chapter 60, Sub-Title II-A). Delaware adopted a combined emissions allowance allocation/auction mechanism for RGGI, in which 40% of CO_2 allowances were allocated to sources for 2009, declining by 8% per year so that by 2014, all CO_2 allowances are auctioned.

[1] No ICE or Broker price was available for seasonal NOx allowances

Dover had more than a sufficient number of RGGI allowances allocated to it to cover its requirements through the first compliance period (calendar years 2009-2011). Any unused allowances are carried over ("banked") for subsequent years. The table below shows RGGI allowance allocations, deductions and the cumulative balance by year (column 8).

CO2 Allowance Summary (1/31/2015)							
1	2	3	4	5	6	7	8
CO_2 Allowance Vintage	CO_2 Allowances (Sold) Purchased YTD	CO_2 Allowances (Per Facility, Prior to Sale)		Allocated CO_2 Allowances	CO_2 Tons Emitted	Annual CO_2 Allowance Balance	Cumulative Balance
		McKee Run	***VanSant***				
2009	0	60,128	2,056	62,184	(5,796)	56,388	56,388
2010	0	48,102	1,645	49,747	(32,971)	16,776	73,164
2011	0	36,077	1,234	37,311	(17,746)[2]	19,565	92,729
2012	0	27,058	925	27,983	(15,957)	12,026	104,755
2013	0	22,879	1,939	24,818	(10,231)	14,587	119,343
2014	**1,000**	-0-	-0-	-0-	(25,426)	(25,426)	94,917
2015	-0-	-0-	-0-	-0-	-0-	-0-	94,917

Dover no longer receives allocations of RGGI allowances (columns 3-5). The cumulative balance can be utilized for generation in 2014 and future years. Note that the 2014 emissions were larger than four out of the last five years.

Once the banked allowances have been fully utilized, Dover will be required to purchase RGGI allowances through the auctions or through over-the-counter markets. Assuming that Dover does not sell any banked allowances and produces 25,000 tons of CO_2 emissions annually, it should be able to maintain a positive balance through around 2018.

In anticipation of needing additional RGGI allowances in the future, Dover participated in Auction 26 held on December 3, 2014. It submitted a tiered bid totaling 4,000 allowances. It was awarded 1,000 allowances from its highest price bid, with the auction clearing price of $5.21/ton.

Based on the February 20, 2015 ICE price for the February 2015 strip ($5.59/ton), the estimated market value of Dover's existing 94,917 ton RGGI allowance bank is $530,586.

[2] 2011 and 2012 emissions corrected to match values in RGGI COATS.

Renewable Energy Certificates

Dover owns two photovoltaic systems totaling 15 kW, consisting of (one 5 kW unit at the Utilities Administration Building and two 5 kW units at the McKee Run generating station. Dover also receives solar energy produced by the 10 MW Dover Sun Park which is owned by White Oak Solar Energy, LLC. In addition to the all of the physical energy produced by the Sun Park, Dover receives 15% of Sun Park's Solar Renewable Energy Credits (SRECS).

Dover participates in the Delaware Municipal Electric Corporation's (DEMEC) Renewable Portfolio Standard (RPS) for compliance with the State of Delaware's RPS laws applicable to municipal utilities. The first compliance period under DEMEC's RPS was for the 36 months ending May 2014.

Through the end of December, 2014, Dover had accumulated a total of 6,479 SRECS from these renewable energy resources, net of 2,941 SREC transferred to DEMEC for retirement on October 3, 2014 in accordance with the RPS requirement for the first compliance period.

While Delaware does periodically hold auctions for SRECs, these auctions are for size tiers N1 – N3, E1 and E2. The Dover Sun Park is in the N4 tier for very large facilities. State-wide carve outs for Tier 4 has been fully subscribed, so there is not a market for tier 4 SRECs in Delaware.

The nearest viable market for Dover's SRECs is Pennsylvania. Daily settlement prices from Flett Exchange Environmental services (www.flettexchange.com) were used for 2011/12 through 2014/15 vintage allowances. The February 19, 2015 daily settlement prices for Pennsylvania SRECS are used in the table below.

SREC Vintage (June 1 – May 31)	Market Clearing Price	SREC Balance[3]	Market Value
2012/2013	$30.00	2,172	65,160
2013/2014	$35.00	2,701	94,535
2014/2015	$40.00	1,606	64,240
TOTAL		**6,479**	**$222,935**

TEA continues to recommend to Dover to retain these allowances for compliance with its Renewable Portfolio Standard (RPS). Additionally, Dover will need to acquire additional SRECs in future years.

[3] SREC Balances have been corrected in this monthly report

D. Operations Management Summary:

During the month of January, there was one reportable lost time accidents when an employee slipped on a patch of ice resulting in a broken ankle. The facility has now gone 19 days without an OSHA recordable accident and 19 consecutive days without a lost time reportable accident. There were no Environmental Notices of Violations or exceedances issued. There were no near misses reported.. There were no unit dispatches during the month for PJM and there were no self- scheduled unit operations.

Monthly Budget Variance – The actual expenses attributable to O&M of the two sites for the month of January were $420,084 against a budgeted amount of $436,781 for a favorable variance of $16,697 or 3.82%. The principal reasons for the favorable variance were due to having lower payroll expenses, lower water usage expenses and lower permit fees than budgeted.

E. Risk Management Summary:

Forward power prices in PJM have increased from last month.

The current projected cost of service is below:

PY	Hedge Ratio	Blended Cost ($/MWh)	Monthly Change ($/MWh)
2014-15	80%	$ 46.69	$ 0.36
2015-16	69%	$ 43.71	$ 0.46
2016-17	45%	$ 42.37	$ 0.51
2017-18	34%	$ 42.77	$ 0.70
2018-19	19%	$ 42.67	$ 0.98

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II. Budget Report

	Budget Jan-15	Actual Jan-15	Variance
Gross Load	**61,473**	**66,380**	**(4,908)**
Power Supply			
Hedged Energy	$1,639,421	$2,298,382	($658,961)
PJM - Energy, Congestion & Losses	$1,222,841	$957,382	$265,459
PJM - ARR, Transmission and Fees	$769,244	$462,494	$306,750
Dover SUN Park Energy	$106,137	$80,567	$25,570
Dover SUN Park RECs	$16,690	$9,828	$6,862
Management Fees	$83,000	$83,000	$0
PJM - Capacity UCAP Obligated Purchased	$823,464	$812,097	$11,367
Subtotal - Power Supply	**$4,660,797**	**$4,703,749**	**($42,952)**
Power Generation O&M			
Plant O&M	$436,781	$420,084	$16,697
Subtotal Generation O&M	**436,781.00**	**420,084.00**	**$16,697**
Power Generation Production Margin			
PJM - Economic and reliability dispatch	($446,560)	$ -	($446,560)
Fixed Fuel and Transport Charges	$322,150	$ -	$322,150
Subtotal Generation Production Margin	**($124,410)**	**$ -**	**($124,410)**
Power Generation Non-Production Revenue			
PJM - Generation Capacity Credit	($740,515)	$ (725,758.98)	($14,756)
Capacity Replacement Charge	$11,160	$ -	$11,160
PJM - Reactive Supply & Transmission Losses	($47,230)	$ (64,547.72)	$17,318
Subtotal - Non-Production Revenue	**($776,585)**	**($790,307)**	**$13,722**
SubTotal - All Generation	**(464,214)**	**($370,223)**	**($93,991)**
Total - Utilities Cost	**$4,196,583**	**$4,333,526**	**($136,943)**
Unit Costs			
Total - Power Supply	$75.82	$70.86	$4.96
Total - Power Generation	($7.55)	($5.58)	($1.97)
Final Cost of Service to City of Dover Ratepayers	$68.27	$65.28	$2.98

Variance Analysis:

Power Supply

- Dover consumed 4,908 MWh more than forecast for the month.
- PJM transmission and fees were lower than expected with minimal monthly reactive services charges.
- This resulted in a net power supply cost of $70.86/MWh, $4.96/MWh below budget.
- For the month, the city realized an unfavorable variance of $42,952 for power supply vs. the monthly budget.
- Dover Sun Park generated 227 MWh less than forecast.

Generation

- Power generation had an unfavorable budget variance of $93,991.
- Plant O&M expenses had a favorable budget variance of $16,697 for the month.

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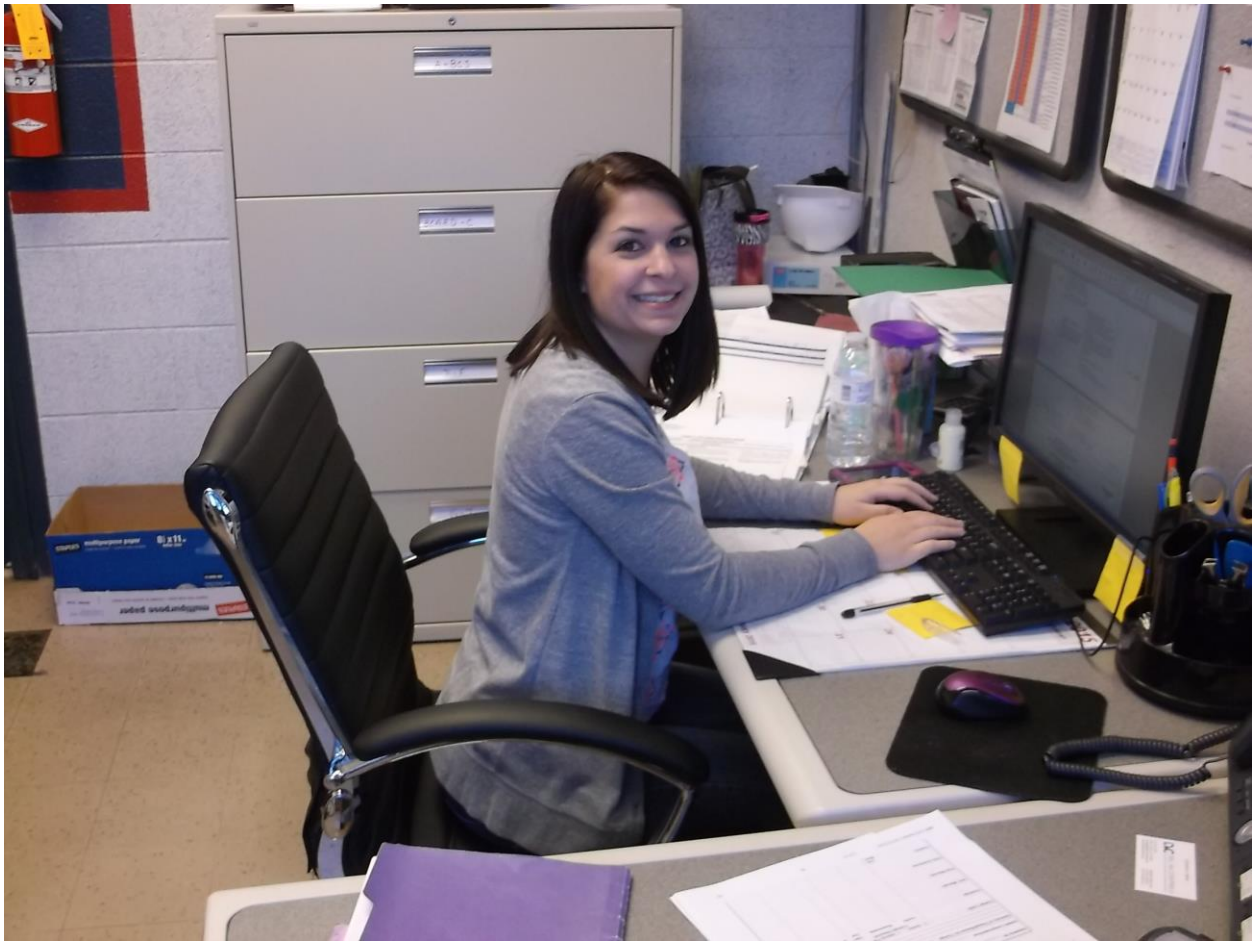
	Budget YTD	Actual YTD	Variance	Source	Formula
Gross Load	449,367	447,785	1,582	PJM load Inschedules + White Oak-Dover invoice	G = (Net PJM Wholesale Load + Dover SunPark Mwh)
Power Supply					
Hedged Energy	$12,909,112	$16,173,152	($3,264,040)	TEA Deal capture system, verified by settlement checking out with counterparties	
PJM - Energy, Congestion & Losses	$7,667,455	$4,159,292	$3,508,163	PJM Invoice	
PJM - ARR, Transmission and Fees	$4,466,711	$3,232,407	$1,234,304	PJM Invoice	
Dover SUN Park Energy	$1,018,777	$1,049,763	($30,986)	Invoice	
Dover SUN Park RECs	$218,630	$232,248	($13,618)	White Oak-Dover	
Management Fees	$581,000	$581,000	$0	Annual Contract	
PJM - Capacity UCAP Obligated Purchased	$5,711,123	$5,617,031	$94,092	PJM Invoice	
Subtotal - Power Supply	$32,572,808	$31,044,893	$1,527,915		A
Power Generation O&M					
Plant O&M	$3,362,817	$3,587,593	($224,776)	Monthly NAES report	
Subtotal Generation O&M	$3,362,817	$3,587,593	($224,776)		B
Power Generation Production Margin					
PJM - Economic and reliability dispatch	($1,786,240)	($1,946,803)	$160,563	PJM Invoice	
Fixed Fuel and Transport Charges	$1,288,950	$991,866	$297,084	TEA Deal capture system, verified by settlement checking out with counterparties and pipeline.	
Subtotal Generation Production Margin	($497,290)	($954,937)	$457,647		C
Power Generation Non-Production Revenue					
PJM - Generation Capacity Credit	($5,135,827)	($5,024,547)	($111,280)	PJM Invoice	
Capacity Replacement Charge	$77,400	$0	$77,400	Budgeted amount for incremental 3.6 mw purchase. Actuals been shown in PJM - Capacity UCAP Obligated purchased.	
PJM - Reactive Supply & Transmission Losses	($283,200)	($391,354)	$108,154	PJM Invoice	
Subtotal - Non-Production Revenue	($5,341,627)	($5,415,901)	$74,274		D
SubTotal - All Generation	($2,476,100)	($2,783,244)	$307,144		E = (B+C+D)
Total - Utilities Cost	$30,096,708	$28,261,648	$1,835,060		F = (A+E)
Unit Costs					
Total - Power Supply	$72.49	$69.33	$3.16		H = (A/G)
Total - Power Generation	($5.51)	($6.22)	$0.71		I = (E/G)
Final Cost of Service to City of Dover Ratepayers	$66.98	$63.11	$3.86		J =(H+I)

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Operations Management

NAES Corporation
Dover, Delaware

January 2015
Monthly Report



Sarah Maher, new Administrative Assistant, is adapting well to her new duties.

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1.0 Environmental, Health and Safety:

During the month of January, there was one lost time accident on January 12, 2015. The loss time accident occurred while an Operator was conducting routine inspections at the VanSant Generation Station. The Operator stepped onto a concrete sidewalk on the northern side of the DI Building and slipped on a thin veneer of ice. His left leg slid out from under him and he landed on his back. The operator was later diagnosed with a fractured lower ankle. The facility has now gone 19 days through January 31, 2015 without an OSHA Recordable Accident or a Lost Time reportable accident. There were no Near Misses reported in January at McKee Run.

The plant received no Notice of Violations (NOVs) during the month. McKee Run collected samples as part of the new NPDES permit. The pH, total recoverable iron and PCB-TMDL samples were submitted to a laboratory for analysis. The PCB samples are still being analyzed while the pH results were included on a revised December 2014 DMR. It was later determined the lab bottle-ware was not preserved according to lab standards and the total recoverable iron samples were deemed invalid. Additional sampling for total recoverable iron will be collected in the 1st quarter of 2015. The January DMR was submitted to DNREC for the McKee Run site with no NPDES exceedences. Since no units ran in January, there were no opacity deviations from any unit in January.

During the month of January, there were no IWW discharges to the Kent County Public Works sewer system. There was no monthly sampling in January. The January SIU Report was submitted to Kent County Public Works.
On January 30, 2015, McKee Run and VanSant submitted to DNREC the annual Water Allocation Report. This report documents the monthly well water usage for the entire year and monthly well depth measurements.
On January 30, 2015, the annual Title V Certification Report was submitted to DNREC for the McKee Run and VanSant facilities. Concurrently, with the annual Title V Certification, McKee Run and VanSant submitted the Semi-Annual Certification from July 1, 2014 to December 31, 2014. Additionally, the VanSant Quarterly Opacity Report was submitted at the same time.

Environmental, Health, and Safety Statistics		
	Month (January)	Fiscal Year to Date (7/1/14-6/30/15)
NOVs	0	0
Opacity Deviations	0	1
Environmental Deviations	0	0
OSHA Recordable	1	1
OSHA LTA's	1	1
First Aid cases	0	0
Restricted Workday Accident	0	0
Near Miss	0	12
Man Hours Worked	4,080.5	83,603.75
Date last OSHA Recordable		1/12/15
Date last Lost Time Accident		1/12/15
Days since last OSHA recordable		19
Days since last Lost Time Accident		19

CAIR NOx Allowances Summary*

CAIR NOx Allowance Vintage	CAIR NOx Allowances Sold YTD	NOx Allowances Available (Per Facility, Prior to Sale)		Total NOx Tons Emitted (Yr/ Season) McKee Run - VanSant	CAIR NOx Allowances Purchased YTD	NOx Allowance Balance	
		McKee Run (Yr/Season)	*VanSant (Yr/Season)*			*McKee Run* (Yr/Season)*	*VanSant* (Yr/Season)*
2013 and earlier						160/78	9/8
2014	0	71/46	5/3	40/35 - 4/1	0/0 – 0/0	31/11	1/2
2015#	NA	NA	NA	NA	NA	NA	NA
				Total NOx Allowance Balance		**191/89**	**10/10**

***Note – Emissions allowances are deducted according to oldest vintage first or unless otherwise directed.**
****Note – The facility transferred Ozone Season allowances to a third party.**
#Note – CSPAR replaces CAIR. Delaware is not in CSPAR program

SO_2 Allowances Summary

SO_2 Allowance Vintage	SO_2 Allowances Sold - YTD	SO_2 Allowances Available (Per Unit, Prior to Sale & Reconciliation)		Total SO_2 Tons Emitted– U3 and U11 YTD	SO_2 Allowances Balance*
		Unit #3	*Unit #11*		
2013 and earlier	0	10,365	690	2	11,053
2014	0	1850	138	1	1,987
2015	0	1850	138	0	1,988
			Total SO2 Allowance Balance		**15,028**

***Note – Emissions allowances are deducted according to oldest vintage first, unless otherwise directed.**

CO2 Allowances Summary					
CO2 Allowance Vintage	**CO2 Allowances Bought/Sold YTD**	**CO2 Allowances Available (Per Facility, Prior to Sale)**		**Total CO2 Tons Emitted**	**CO2 Allowance Balance**
		McKee Run	***VanSant***		
2013 and earlier	0	194,244	7,799	82,700*	119,343*
2014	1,000**	0	0	25,426	(24,426)
2015	0	0	0	0	0
			Total CO2 Allowance Balance		**94,917**

***Note: CO2 allowance values are provided by the RGGI CO2 Allowance Tracking System.**
****Note; 1,000 CO2 Tons Purchased in 2014**

NOx Summary – Ozone Season (May-Sep) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2012	1.2	1.0	35.8	1.0	33.1
2013	1.1	1.7	19.3	1.3	23.4
2014	0.4	0.6	35.0	0.8	36.8
2015	0.0	0.0	0.0	0.0	0.0
NOx Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2012	1.2	1.1	35.8	1.0	36.9
2013	1.1	1.7	19.4	1.3	23.5
2014	0.8	1.1	39.8	3.7	45.4
2015	0.0	0.0	0.0	0.0	0.0
SO_2 Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2012	0.0	0.0	0.0	0.1	0.1
2013	0.0	0.0	0.0	0.2	0.2
2014	0.0	0.0	0.4	0.6	1.0
2015	0.0	0.0	0.0	0.0	0.0

2.0 Financial

Financial – Current Month

Month – January			
	Actual	Budget	Variance
Personnel	250,616	260,000	9,384
Materials & Supplies	9,238	14,500	5,262
Administrative Expenses	160,230	162,281	2,051
Total	**$420,084**	**$436,781**	**$16,697**

Financial – Fiscal Year to Date

Number of Months – 7			
	Actual	Budget	Variance
Personnel	1,808,411	1,921,200	112,789
Materials & Supplies	204,325	166,050	(38,275)
Administrative Expenses	1,299,554	1,275,567	(23,987)
Total	**$3,312,290**	**$3,362,817**	**$50,527**

2.1 Variance analysis:

The actual expenses for the month of January are $420,084 against a budgeted amount of $436,781 for a favorable variance of $16,697 or 3.82%. The variance was due to the following:

PERSONNEL EXPENSES – A favorable monthly variance of $9,384 was due to having a less than full complement of staff and limited overtime expenses. As a result, this impacted three (3) labor accounts – Straight Time, Overtime, and Labor Burdens.

MATERIALS AND SUPPLIES EXPENSES- A favorable monthly variance of $5,262 was due to lower water usage than budgeted.

ADMINISTRATIVE EXPENSES – A favorable monthly variance of $2,051 due to lower permit fees than anticipated and annual fire protection systems inspections not yet completed. A portion of this was offset by higher than anticipated electricity costs.

The forecasted expenses for this fiscal year are $6,116,273 expensed versus an approved budget of $6,141,100 thereby realizing a 99.60% expenditure rate.

3.0 Operations

Unit Operations / Outages / Trips: No units were dispatched by PJM and none were self-dispatched for the month of January. All units were ready and available for dispatch if needed.

Month - January 2015							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	VanSant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	0.0	0.0	0.0	0.0	0.0	0.0
Starts	#	0	0	0	0	0	0
Gross Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Net Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Total Auxiliaries	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Auxiliaries purchased	MWh	36.412	36.412	187.283	260.107	8.282	268.389
Fuel Gas Used#	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Fuel Oil Used	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Fuel Oil Used	Gallons	0.0	0.0	0.0	0.0	0.0	0.0
Total Fuel	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Net Heat Rate	BTU/KWh	0.0	0.0	0.0	0.0	0.0	0.0
Unit Trips	#	0	0	0	0	0	0
Capacity Factor	%	0.0	0.0	0.0	0.0	0.0	0.0
Availability Factor	%	100.00	100.00	100.00	100.00	100.00	100.00
Commercial Unavailability (CU)	%	0.0	0.0	0.0	0.0	0.0	0.0
Planned Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Forced Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	744	744	744	2,232	744	2,976
HW Boiler Gas Usage	MMBTU				1,459		1,459
Pilot Gas Usage	MMBTU	0.0	0.0		0.0		0.0

 # Note: Does not include HWB or Pilot Gas. Fuel usage numbers are taken from fuel flow instruments.

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2014-2015 Fiscal Year-to-Date (7 Months)							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	VanSant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	30.966	35.134	433.682	499.782	17.350	517.132
Starts	#	3	5	33	41	5	46
Gross Generation	MWh	261.694	252.941	22,525.426	23,040.061	578.081	23,618.142
Net Generation	MWh	247.853	233.930	20,511.856	20,993.639	567.702	21,561.341
Total Auxiliaries	MWh	212.429	217.599	3,633.922	4,063.950	24.705	4,088.655
Auxiliaries purchased	MWh	198.588	198.588	1,670.472	2,067.648	24.326	2,091.974
Fuel Gas Used	MMBTU	3,780.381	3,255.417	238,464.654	245,500.452	7,544.726	253,045.178
Fuel Oil Used	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Fuel Oil Used	Gallons	0.0	0.0	0.0	0.0	0.0	0.0
Total Fuel	MMBTU	3,780.381	3,255.417	238,464.654	245,500.452	7,544.726	253,045.178
Net Heat Rate	BTU/KWh	15.253	13.916	11.825	13.664	13.278	13.471
Unit Trips	#	1	3	0	4	1	5
Capacity Factor	%	0.28	0.27	3.90	2.94	0.28	2.35
Availability Factor	%	70.70	70.70	65.90	69.10	70.70	69.50
Commercial Unavailability (CU)	%	0.0	0.0	0.15	0.05	0.0	0.04
Planned Outage Hours	Hours	1,512.000	1,512.000	1,752.000	4,776.000	1,512.000	6,288.000
Maintenance Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Forced Outage Hours	Hours	0.0	0.0	7.667	7.667	0.0	7.667
Reserve Shutdown Hours	Hours	3,617.034	3,612.866	2,966.651	10,196.551	3,630.650	13,827.201
HW Boiler Gas Usage	MMBTU				3,480.856		3,480.856
Pilot Gas Usage	MMBTU	527.631	527.631		1,055.263		1,055.263

Fuel Oil Inventory							
	Monthly Inventory (Start)	Monthly Inventory (End)	Fuel Purchases (Month)	Monthly Inventory (Change)	FY 14-15 Inventory (Start)	Fuel Purchases (FYTD)	FY 14-15 Inventory (Change)
McKee Run (#2 Fuel Oil)	722,625	722,625	0	0	452,963	279,528	269,662
VanSant (#2 Fuel Oil)	216,587	215,575	0	1,012	73,572	148,595	142,003

Note: As measured by tank level instruments. Tank levels may change due to oil temperature.

VanSant Lifetime through January 2015			
	Actual Starts	Factored Starts	Fired Hours
VanSant	1372	2,349.75	4,333.90
Since HGP - Dec 2004	261	682.05	950.32

Team Report:

Operations personnel continue to support maintenance by working on Preventative Maintenance (PM) work orders and other work orders that they have the skills to successfully complete the task. The Operations Department continues to utilize the Day Shift Workers in both the Operations and Maintenance areas to assist with maintenance of the plant.

Capacity Testing – FY 2014-2015					
Summer 2014 (June 1- Aug 31)			**Winter 2014-2015 (Dec 1- Feb 28)**		
Unit	Rated Net Capability (MW)	Reported Net Capability (MW)	Unit	Rated Net Capability (MW)	Reported Net Capability (MW)
1	17	17.4	1	17	17*
2	17	17.5	2	17	17*
3	102	103.99	3	102	102*
11	39	39.8#	11	39	39*
Total	175	175	Total	175	175

Note: * Denotes Unit is qualified for the PJM Winter Demonstration Period Exemption Program.
Note: # Depicts Net Corrected Capacity for Ambient Air Conditions – VanSant Unit only

4.0 Maintenance

During the month of January, the Plant Maintenance staff continued addressing the backlog of work orders. There were sixty-four work orders issued with eighty work orders being completed during the month. There were three safety work orders entered into the plant's Computerized Maintenance Management System (MP2) during the month. The table below summarizes the monthly work order activities.

Work Order Report

January - 2015

Priority #	Outstanding From Previous Month	Issued This Month	Completed This Month	Outstanding at the end of the month
1	39	11	20	30
2	47	9	12	44
3	53	1	9	45
4	5	0	1	4
5	12	5	0	17
SW1	0	3	0	3
SW2	0	0	0	0
SW3	0	0	0	0
SW4	0	0	0	0
SW5	0	0	0	0
PM	85	35	38	82
EM	0	0	0	0
Totals	241	64	80	225

Note: PM Work Orders are included in the priority totals

Notable activities during the month include:

The NAES Maintenance staff fabricated four new screen holders/chutes for the Unit 3 cooling tower screens. Fabrication of new screens for the tower was the next order of business. The first one was fabricated and installed. The new screens will give provide an increased ability to catch any debris that might make its way to the pump thereby averting possible damage from debris entering the pump.

The NAES IC&E staff assisted US Tank Protectors in completing the cathodic protection testing for the underground fuel oil lines at VanSant Generating Station. The testing was completed with no discrepancies found with the underground fuel oil lines. There were two minor items that need to be repaired on the testing stations. Work orders have been issued to make the repairs.

The NAES IC&E Staff removed outdated fluorescent lighting in the DI area at the McKee Run Generating Station. The DI area was dark in several places making it difficult to monitor the operation of the water processing unit. The new lighting is also brighter thus making the DI area a safer place to work especially when working with chemicals.

5.0 Capital Improvement Projects (CIP)

Project Number	Description	Update
EG1212	Unit 3 Turbine Repairs	Progress: All work planned is now complete. Spring activities include the replacement of the turbine supervisory equipment probes and panel and performing balancing of the turbine thereafter. Schedule: Scheduling of work is in progress that will include the replacement of rotor expansion/vibration instrumentation and balancing of the turbine-generator.
EG1402	Unit #3 Cooling Tower Repairs	Progress: Contractor returned in January to complete work on remaining cells and finish punch list work for the three cells. Due to weather conditions, final checkout of tower is expected in February. Schedule: Final checkout of tower is expected in February along with final written report.
EG1406	McKee Run HEP Pipe Repairs	Progress: Work is complete and final report has been received. Schedule: Final report received and project may be expected to be closed once all invoicing has been submitted and paid.
EG1407	Metering System Upgrades	Progress: Project on Hold. Schedule: Project is on Hold until next year when RFP process will begin again. Project would be slated to be completed once Units 1 and 2 are taken out of service.
EG1416	VanSant Capacity Increase	Progress: The secondary breaker equipment and additional MCC equipment has been received and has been set in place on the foundations. Schedule: Coordination with electrical contractor to develop a timeline to install the equipment and make tie-ins prior to the Spring Outage is in place. Installation of electrical conduit and wiring is planned for February. Pipe and pipe materials are on order and will be received in February with installation to follow.
EG1503	Unit #3 Auxiliary System Component Replacement	Progress: Work scopes being developed for the Spring 2015 Outage. Schedule: Spring 2015 Outage work scopes being developed.
EG1504	Unit#3 Boiler System Repairs	Progress: Work scopes being developed for the Spring 2015 Outage. Schedule: Spring 2015 Outage work scopes being developed.
EG1505	VanSant Station Component Replacement	Progress: Work scope is being deferred until next FY. Schedule: Work scopes will continue to be developed for next fiscal year.
EG1506	McKee Run/VanSant Safety Improvements	Progress: Contract had been awarded; parts ordered and have been received. Some equipment has been installed. Unit 3 DC breaker for Unit 3 Emergency Lube oil Pump portion of project is complete. Schedule: Work is planned and has been scheduled for Spring Outage. Some work will require planned power outage to accomplish tie-in of circuitry and equipment.
EG1507	McKee Run Units #1-#2 Component Replacement	Progress: Project on Hold Schedule: Project on Hold

EG1508	McKee Run/VanSant Structural Preservation	Progress: Plant staff completed development of paint specifications and bid requests were to be received in mid-August. Schedule: Re-evaluation of work scope and bids is needed given the amount of time since the bids were originally received.

6.0 General Plant Information

Sarah Maher began work on December 15, 2014 in the position of Administrative Assistant. Since coming onboard, she has had many opportunities to meet plant staff and is readily adapting to her new work environment.

On-going efforts are being made to fill two (2) open Operator positions. Several interviews have been held in this effort.

Training:

Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. The monthly safety topic was on "Be Safe on Ice".

Calendar of Events	Date
Winter Capacity Period	December 1, 2014 to February 28, 2015
Title V Annual Certifications Due	January 31, 2015
NOx Emissions Reconciliation Due	March 1, 2015
SO2 Emissions Reconciliation Due	March 1, 2015
SARA III / Tier II Report Due	March 1, 2015
Units 1, 2, and 3 Spring Outage	TBD – Spring 2015
Unit 11 Spring Outage	TBD – Spring 2015
Air Emission Inventory	April 30, 2015
NOx Ozone Season Starts	May 1, 2015
PJM Summer Capacity Test Period	June 1, 2015 – August 31, 2015
FY 2014-201454 Budget Year Begins	July 1, 2015
Toxic Release Inventory (TRI) Annual Report	July 1, 2015
Semi-Annual Title V Certification Due	July 31, 2015
NOx Ozone Season Ends	September 30, 2014
Annual VanSant Black Start Test	TBD
Units 1, 2, 3 and 11 Fall Outage Starts	TBD
Five Years Accident Free	October 14, 2015

7.0 Summary of NAES Performance to Date

Measure	Plant Performance FY 2014-2015 Month		Year to Date		YTD Incentive	FY Maximum Incentive
Commercial Unavailability (CU)	0.00%		0.05%		$94,679	$96,875
Safety	1		1		$9,082	$18,163
Environmental	0		0		$18,163	$18,163
Capacity Tests Completed	Summer	Winter	Summer	Winter		
Unit 1	No	No	Yes	Yes*	$3,634	$3,634
Unit 2	No	No	Yes	Yes*	$3,634	$3,634
Unit 3	No	No	Yes	Yes*	$21,797	$21,797
Unit 11	No	No	Yes	Yes*	$7,266	$7,266
Total YTD Incentive %	93.35%		***Total YTD Incentive***		$158,254	$169,532

Note*: All units have successfully completed the Summer (FY 2014-2015) Testing for PJM and are now entered in the PJM Winter Capacity Test Exemption Program.

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III. Appendix 1 – PJM Invoice Breakdown

			Gen	Load	Grand Total
⊟480-8102-592-95-49	⊟1610	Locational Reliability		$814,257.78	$814,257.78
	⊟2630	Capacity Transfer Rights		$60.76	$60.76
	⊟2661	Capacity Resource Deficiency		($2,221.92)	($2,221.92)
480-8102-592-95-49 Total				**$812,096.62**	**$812,096.62**
⊟480-8102-592-95-50	⊟1600	RPM Auction	$14,753.52		$14,753.52
	⊟2600	RPM Auction	($740,512.50)		($740,512.50)
480-8102-592-95-50 Total			**($725,758.98)**		**($725,758.98)**
⊟480-8102-592-95-90	⊟1100	Network Integration Transmission Service		$397,786.42	$397,786.42
	⊟1108	Transmission Enhancement		$66,224.76	$66,224.76
	⊟1242	Day-Ahead Load Response Charge Allocation		$170.98	$170.98
	⊟1243	Real-Time Load Response Charge Allocation		$265.91	$265.91
	⊟1301	PJM Scheduling, System Control and Dispatch Service - Control Area Administration		$11,417.87	$11,417.87
	⊟1302	PJM Scheduling, System Control and Dispatch Service - FTR Administration		$25.84	$25.84
	⊟1303	PJM Scheduling, System Control and Dispatch Service - Market Support		$2,603.58	$2,603.58
	⊟1304	PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration		$79.71	$79.71
	⊟1305	PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.		$952.63	$952.63
	⊟1306	PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center		$1,396.00	$1,396.00
	⊟1307	PJM Scheduling, System Control and Dispatch Service - Market Support Offset		($296.92)	($296.92)
	⊟1313	PJM Settlement, Inc.		$296.92	$296.92
	⊟1314	Market Monitoring Unit (MMU) Funding		$327.59	$327.59
	⊟1315	FERC Annual Recovery		$4,521.25	$4,521.25
	⊟1316	Organization of PJM States, Inc. (OPSI) Funding		$50.60	$50.60
	⊟1317	North American Electric Reliability Corporation (NERC)		$796.26	$796.26
	⊟1318	Reliability First Corporation (RFC)		$1,295.65	$1,295.65
	⊟1320	Transmission Owner Scheduling, System Control and Dispatch Service		$5,013.87	$5,013.87
	⊟1330	Reactive Supply and Voltage Control from Generation and Other Sources Service		$35,413.55	$35,413.55
	⊟1340	Regulation and Frequency Response Service		$11,650.21	$11,650.21
	⊟1360	Synchronized Reserve		$11,092.65	$11,092.65
	⊟1362	Non-Synchronized Reserve		$1,350.03	$1,350.03
	⊟1365	Day-ahead Scheduling Reserve		$121.86	$121.86
	⊟1370	Day-ahead Operating Reserve		$14,074.46	$14,074.46
	⊟1371	Day-ahead Operating Reserve for Load Response		$17.12	$17.12
	⊟1375	Balancing Operating Reserve		$10,580.39	$10,580.39
	⊟1376	Balancing Operating Reserve for Load Response		($0.20)	($0.20)
	⊟1378	Reactive Services		$2,528.30	$2,528.30
	⊟1380	Black Start Service		$1,899.46	$1,899.46
	⊟1730	Expansion Cost Recovery		$403.00	$403.00
	⊟1911	Michigan - Ontario Interface Phase Angle Regulators		$179.86	$179.86
	⊟1932	Generation Deactivation Refund		($632.17)	($632.17)
	⊟2108	Transmission Enhancement		($62,029.95)	($62,029.95)
	⊟2140	Non-Firm Point-to-Point Transmission Service		($1,417.06)	($1,417.06)
	⊟2420	Load Reconciliation for Transmission Losses		($366.82)	($366.82)
	⊟2510	Auction Revenue Rights		($54,971.37)	($54,971.37)
	⊟2666	Load Management Test Failure		($279.93)	($279.93)
	⊟2912	CT Lost Opportunity Cost Allocation		($48.36)	($48.36)
480-8102-592-95-90 Total				**$462,493.95**	**$462,493.95**
⊟480-8102-592-95-91	⊟1200	Day-ahead Spot Market Energy		$596,387.61	$596,387.61
	⊟1205	Balancing Spot Market Energy		$68,475.28	$68,475.28
	⊟1210	Day-ahead Transmission Congestion		$159,492.02	$159,492.02
	⊟1215	Balancing Transmission Congestion		$7,845.36	$7,845.36
	⊟1220	Day-ahead Transmission Losses		$88,288.18	$88,288.18
	⊟1225	Balancing Transmission Losses		$3,908.73	$3,908.73
	⊟1230	Inadvertent Interchange		$746.83	$746.83
	⊟1250	Meter Error Correction		($3,255.93)	($3,255.93)
	⊟1400	Load Reconciliation for Spot Market Energy		$31,553.13	$31,553.13
	⊟1410	Load Reconciliation for Transmission Congestion		$1,784.43	$1,784.43
	⊟1420	Load Reconciliation for Transmission Losses		$1,480.58	$1,480.58
	⊟1430	Load Reconciliation for Inadvertent Interchange		$3.88	$3.88
	⊟1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		$175.28	$175.28
	⊟1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund		($24.02)	($24.02)
	⊟1442	Load Reconciliation for Schedule 9-6 - Advanced Second Control Center		$21.69	$21.69
	⊟1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding		$3.35	$3.35
	⊟1445	Load Reconciliation for FERC Annual Recovery		$59.59	$59.59
	⊟1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		$0.59	$0.59
	⊟1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)		$9.08	$9.08
	⊟1448	Load Reconciliation for Reliability First Corporation (RFC)		$12.90	$12.90
	⊟1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		$63.07	$63.07
	⊟1460	Load Reconciliation for Regulation and Frequency Response Service		$165.97	$165.97
	⊟1470	Load Reconciliation for Synchronized Reserve		$42.88	$42.88
	⊟1472	Load Reconciliation for Non-Synchronized Reserve		$5.22	$5.22
	⊟1475	Load Reconciliation for Day-ahead Scheduling Reserve		$0.01	$0.01
	⊟1478	Load Reconciliation for Balancing Operating Reserve		$26.19	$26.19
	⊟1490	Load Reconciliation for Reactive Services		$109.77	$109.77
480-8102-592-95-91 Total				**$957,381.67**	**$957,381.67**
⊟480-8102-592-95-92	⊟2220	Transmission Losses	($35,080.14)		($35,080.14)
	⊟2330	Reactive Supply and Voltage Control from Generation and Other Sources Service	($29,467.58)		($29,467.58)
480-8102-592-95-92 Total			**($64,547.72)**		**($64,547.72)**
Grand Total			**$ (790,306.70)**	**$ 2,231,972.24**	**$1,441,665.54**

City of Dover
Electric Revenue Fund
FY15 - White Oak Solar Park Incremental Cost

	July	August	September	October	November	December	January	YTD	Original Budget
Power Supply & Generation									
Dover Sun Park - Energy	$ 227,139	$ 219,981	$ 185,885	$ 140,672	$ 96,640	$ 54,849	$ 80,597	$ 1,005,762	$ 2,067,600
Dover Sun Park - REC's	47,469	42,307	33,221	25,192	17,303	9,828	-	175,320	378,600
Total Power Supply Cost	274,609	262,288	219,105	165,864	113,943	64,677	80,597	1,181,082	2,446,200
Non-Solar Power Supply Cost	(170,970)	(136,533)	(97,948)	(80,182)	(63,893)	(26,259)	(48,916)	(624,700)	(777,547)
Incremental Energy Cost	$ 103,639	$ 125,755	$ 121,157	$ 85,682	$ 50,050	$ 38,418	$ 31,681	$ 556,381	$ 1,668,653
Revenues									
Customer Sales - Electricity	(9,870)	(8,024)	(7,893)	(7,840)	(8,061)	(8,135)	(8,448)	(58,271)	(84,600)
Rent Receipts	(14,807)	-	-	(14,807)	-	-	(15,177)	(44,792)	(101,400)
Total Revenues	(24,677)	(8,024)	(7,893)	(22,647)	(8,061)	(8,135)	(23,625)	(103,062)	(186,000)
Incremental Sun Park Cost	$ 78,962	$ 117,731	$ 113,264	$ 63,034	$ 41,989	$ 30,283	$ 8,056	$ 453,319	$ 1,482,653
MWh Purchased/Generated - Solar	2,217.724	2,006.392	1,602.868	1,213.000	833.320	472.956	694.980	9,041.240	18,159.000
MWh $ Solar Energy	$ 102.42	$ 109.64	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 115.97	$ 111.24	$ 113.86
Solar REC's MWh	332.000	301.000	240.000	182.000	125.000	71.000	-	1,251.000	
MWh $ Solar REC (one month lag)*	142.98	140.56	138.42	138.42	138.42	138.42	-	$ -	
MWh $ Non-Solar Energy	$ 77.09	$ 68.05	$ 61.11	$ 66.10	$ 76.67	$ 55.52	$ 70.38		

Note: Solar REC's are one month behind due to the time the invoice is received.