UTILITY COMMITTEE
A G E N D A

SEPTEMBER 9, 2013 - 5:30 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. **Public Notification - Power Outages**
   (Staff Recommends Reviewing the Electric Outage Public Notification Procedures and Internal Standing Orders on an Annual Basis and Implementing Changes Based on Comments Received During the Review)

2. **TEA/NAES Report *(June and July)***
   (Staff Recommends Acceptance of the Report)

3. **Updates**
   - **A. Calpine Energy Center**
     (Committee Action Not Required)
   - **B. Dover Sun Park**
     (Committee Action Not Required)
   - **C. Garrison Oak Technical Park Project**
     (Committee Action Not Required)

4. **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 NO.:**
DEPARTMENT OF ORIGIN: City Manager's Office **DATE SUBMITTED**: 9/04/13
PREPARED BY: Scott D. Koenig, P.E., City Manager
SUBJECT: Public Notification – Power Outages
REFERENCE: N/A
RELATED PROJECT: N/A
APPROVALS: City Manager
EXHIBITS: Exhibit A – Public Notification Procedure; Exhibit B – Internal Standing Orders
EXPENDITURE REQUIRED: N/A **AMOUNT BUDGETED**: N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A
TIMETABLE: If requested, implement changes immediately.
RECOMMENDED ACTION: Review the Electric Outage Public Notification Procedures and Internal Standing Orders on an annual basis and implement changes based on comments received during the review.

BACKGROUND AND ANALYSIS

Attached are the existing Electric Outage Public Notification Procedures and the Internal Standing Orders for the Electric Department. The Public Notification Procedures is currently implemented when more than one-third (1/3) of the City is affected or the outage is expected to be four (4) hours or longer in duration.

In addition to these procedures, the System Operations Center has begun sending email notifications to the City Manager when there are any power outages. Since the System Operations staff is part of the system restoration, some of these emails occur after the fact. Others occur while the outage is in the process of being restored depending upon the intensity of the work involved in restoring the outage. The City Manager will forward the emails to City Council if they so desire to receive them.

Exhibit A

CITY OF DOVER
ELECTRIC OUTAGE
PUBLIC NOTIFICATION PROCEDURE

1. System Operator will make determination if the Outage Coordinator should be called in. In general, the Outage Coordinator will be called when more than one-third of the City is affected or the outage is expected to be four hours or longer in duration.

2. Notify Electric Department Outage Coordinator

Steve Enss			**Primary**
Work phone	:	736-7091	
City cell	:	[redacted]	
Home	:	[redacted]	
Personal cell	:	[redacted]	
Vacant			**Alternate**
Work phone	:		
City cell	:		
Personal cell	:		
Home	:		

3. Outage Coordinator will contact Electric Department Spokesperson

Steve Enss			**Primary**
Work phone	:	736-7091	
City cell	:	[redacted]	
Home	:	[redacted]	
Personal cell	:	[redacted]	
Vacant			**Alternate**
Work phone	:		
City cell	:		
Home	:		

4. Spokesperson/Outage Coordinator will complete outage information sheet (see attached) and update as appropriate.

5. Spokesperson will contact and brief City Manager at 736-7005 during working hours or call at cell phone [redacted] or home phone number [redacted].

6. Spokesperson will fax copy of outage information to City Manager's Office [redacted] if outage occurs during working hours at 736-7002.

7. Outage information will be forwarded to the following news media by fax or phone as determined by the Outage Coordinator or Spokesperson. In general, outages that will affect more than half the service area and likely to be out for more than two hours shall cause both media and elected official notification. Outages that are likely to be sustained for more than four hours shall cause notice regardless of size of the service area.

CITY OF DOVER
ELECTRIC OUTAGE
PUBLIC NOTIFICATION PROCEDURE

	MEDIA NAME	FAX	PHONE	CONTACT
A.	WAFL Radio Station	422-3069	422-7575	Steve Monz
B.	WBOC TV – Salisbury, MD	410-749-5190	410-749-1111	News Room
C.	WBOC TV – Dover, DE	734-3674	734-9262 (Ext. 714)	Carrie Aiken
D.	WDOV/WDSD Radio Station	674-8621	674-4441	Phil Feliciangeli
E.	WHYY - Channel 12	302-575-0346	302-888-1200	Rob Stewart
F.	WMDT	410-749-4777	410-742-4747 (Ext 304)	News Room
G.	Comcast Communications	674-2462	672-5928 (Dispatch)	Jack Feathers
H.	Public Service Commission	739-5258	739-2613	Michael Malak

8. When outage information is faxed to the media, the Mayor and City Council shall also be contacted that day or in the event of an outage occurring after 11:00 PM the next morning by the Outage Spokesperson in the following order: Mayor, Council President, (Councilmen in affected districts when isolated outages), Utility Committee Chairman, Safety Advisory Committee Chairman, other remaining Council members. Below is the current phone list for Mayor and City Council:

NAME	TITLE	PHONE NUMBER/ E-MAIL ADDRESS
A. Carlton E. Carey, Sr.	Mayor	[redacted]
B. Timothy A. Slavin.	Councilman At-Large	[redacted]
C. Beverly C. Williams	Councilwoman, 1st District	[redacted]
D. James L. Hutchison, Sr.	Councilman, 1st District	[redacted]
E. William F. Hare	Councilman, 2nd District	[redacted]
F. Adam M. Perza	Councilman, 2nd District	[redacted]
G. David L. Bonar	Councilman, 3rd District Council President	[redacted]
H. Sean M. Lynn	Councilman, 3rd District	[redacted]
I. David L. Anderson	Councilwoman, 4th District	[redacted]
J. Wallace R. Dixon	Councilman, 4th District	[redacted]
K.	Public Service Commission	739-7500

CITY OF DOVER
ELECTRIC OUTAGE
PUBLIC NOTIFICATION PROCEDURE

739-4849 (Fax)

CITY OF DOVER
ELECTRIC OUTAGE
PUBLIC NOTIFICATION PROCEDURE

CITY OF DOVER ELECTRIC DEPARTMENT
OUTAGE INFORMATION SHEET

Date:_____

Outage Number:_____ Update No._____/_____

Time (start of outage):_____

Area involved:_____

_____

_____

Estimated time (duration of outage / time service will be restored):_____

_____

_____

Contact Person:_____

Phone Number:_____

Fax Number :_____

E - Mail :_____

When advising the public of an electric outage, please mention the following:

1. **The City of Dover Electric crews are working diligently to restore power, please call 736-7086 to report outages that persist beyond estimated outage time.**

2. **Drive safely; traffic lights may be out in the area of the outage. Drive only if necessary.**

CITY OF DOVER
ELECTRIC OUTAGE
PUBLIC NOTIFICATION PROCEDURE

3. **Use extreme caution when using emergency candles. Be sure to extinguish all candles when lighting comes back on.**

Exhibit B

City of Dover	Electric Department	
Number:	Subject: **Electric Director's Standing Orders**	
Approved for use by:	Current Issue: **Rev 5**	Issue Date: **June 19, 2012**
Page 1 of 14		

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19. VENDORS AND VISITORS

Any Visitor or Vendor must sign in at the administrative office before gaining access to the property or building. All relationships with visitors and vendors are expected to be pleasant, cooperative, and business-like. Each staff member is entitled to a pleasant and respectful workplace. Therefore, any uncooperative or unpleasant development should be immediately referred to their immediate supervisor or me. Remember that we represent our city, so we should be professional in all dealings with outside personnel.

20. REVIEW DATES

The following are dates in which periodic reviews will be completed or performed in order to maintain records and policies. The Electric Director will assign the responsible entities for each review.

Monthly:	Review Relaying & Misoperation PRC-004 and PRC-005.
January 15th	Review system for Critical Cyber Assets CIP-002 through CIP-009
May 30th	Annual Forcasting data/ Projections. MOD-010
June 15th	Annaul review of Cordination with TO. FAC-002.
November 4th	Annual review to cover Sabotage Procedure. CIP-001.

21. ADMINISTRATION

A. Accurate, complete records are essential for the efficient, proper long-term operation of the utility. All records will fully satisfy contractual obligations. All records will be established within a system that meets such obligations and will be retained within a formal filing system.

B. All correspondence sent to outside parties will be dated and signed. Unless otherwise designated, I will sign all such correspondence.

22. NOTIFICATIONS

I am available at all times for any issue that you feel needs my attention. My mobile cell phone numbers are listed on the phone list that is controlled by the System Operations Center.

A. At a minimum, I expect a supervisor to be notified if any of the following occur:

1. Any potentially hazardous condition such as severe thunderstorm, lightening, tornado, or breach of security, which poses a threat to the utility.

2. If we are not able to respond to the power demands as requested by the dispatcher.

3. Any loss of major equipment, which has the potential of affecting the deliver of power or reliability (such as electrical distribution or transmission components.)

4. Any hazardous chemical spill or oil spill which may be dangerous to utility personnel or the local population.

5. Prior to intentionally defeating, isolating or tagging out any relay/fire protection equipment or safety device such as equipment trips or if any protective features fails and is out of service.

B. Only the Electric Director or his/her designee is authorized to discuss issues with the media.

C. **Immediate notification of the Electric Director shall occur in these circumstances:**

1. A substation is out of power

2. Any injury of an employee, contractor, vendor, or visitor, which occurs on site and requires anything more than basic first aid. Make sure to make a log entry for even the minor occurrences (name, time, organization, brief description of the injury and a method of getting in touch with the individual).

3. Any emergency, which requires notification of a responder such as emergency medical services, fire department, or police.

Approved: _____
Electric Department Director

City of Dover
Electric Revenue Fund
FY 2013 by Month
Electric Supply & Generation - Cost per MWh by Supply Source

	June	YTD	Original Budget	100% Budget %
Power Supply & Generation				
Power Supply - Hedged Energy	$ 3,399,040	$ 37,698,282	$ 39,468,900	95.5%
Power Supply Management	83,000	996,000	996,000	100.0%
Capacity Charges - Load	1,319,328	11,587,934	12,564,800	92.2%
Dover Sun Park - Energy	188,262	1,595,826	1,414,500	0.0%
Dover Sun Park - REC's	43,285	370,256	351,600	0.0%
PJM Charges - Energy	702,584	6,024,702	13,752,300	0.0%
PJM Charges - Transmission & Fees	527,142	7,103,571	3,756,000	189.1%
Total Power Supply	6,262,641	65,376,570	72,304,100	90.4%
Plant Operations	1,115,725	5,719,083	5,914,900	96.7%
Generation Fuel	31,723	1,023,574	586,000	174.7%
Capacity Credits	(1,286,250)	(14,318,588)	(14,318,600)	100.0%
PJM Spot Market Energy - Dispatch	(64,906)	(1,930,510)	(1,124,300)	171.7%
PJM Credits (Black Start/Reactive Pwr)	(29,718)	(502,984)	(427,000)	117.8%
Total Generation	(233,426)	(10,009,425)	(9,369,000)	106.8%
Total Power Supply & Plant	6,029,215	55,367,145	62,935,100	88.0%
Budget Load (MWh)	**67,241**	**750,296**	**750,296**	
Actual Gross Load (MWh) - Total Supply	69,373	752,869		
Actual Gross Load (MWh) - PJM	67,311	735,175		
MWh Hedged	54,400	597,637		
MWh Unhedged	12,911	118,434		
MWh Generated	-	19,104		
MWh Purchased/Generated - Solar	2,062	17,694		
MWh Power Supply $ (non-Solar)	$ 89.60	$ 86.25		
MWh Solar Energy	$ 91.31	$ 90.19		
MWh Generation $	(4.29)	$ (47.47)		
Net Plant Revenue $ (non-Generation)	$ (200,243)	$ (9,102,489)		
All In MWh Supply & Generation $	$ 110.83	$ 73.05	$ 83.88	
Solar REC's MWh	309	2,689		
MWh Solar REC $ (one month lag)	$ 140.08	$ 137.69		

The Energy Authority, Inc.

Monthly Management Committee Update – June 2013

July 25, 2013

Prepared by:

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Client Services Manager
904.360.1309
rtrinnear@teainc.org

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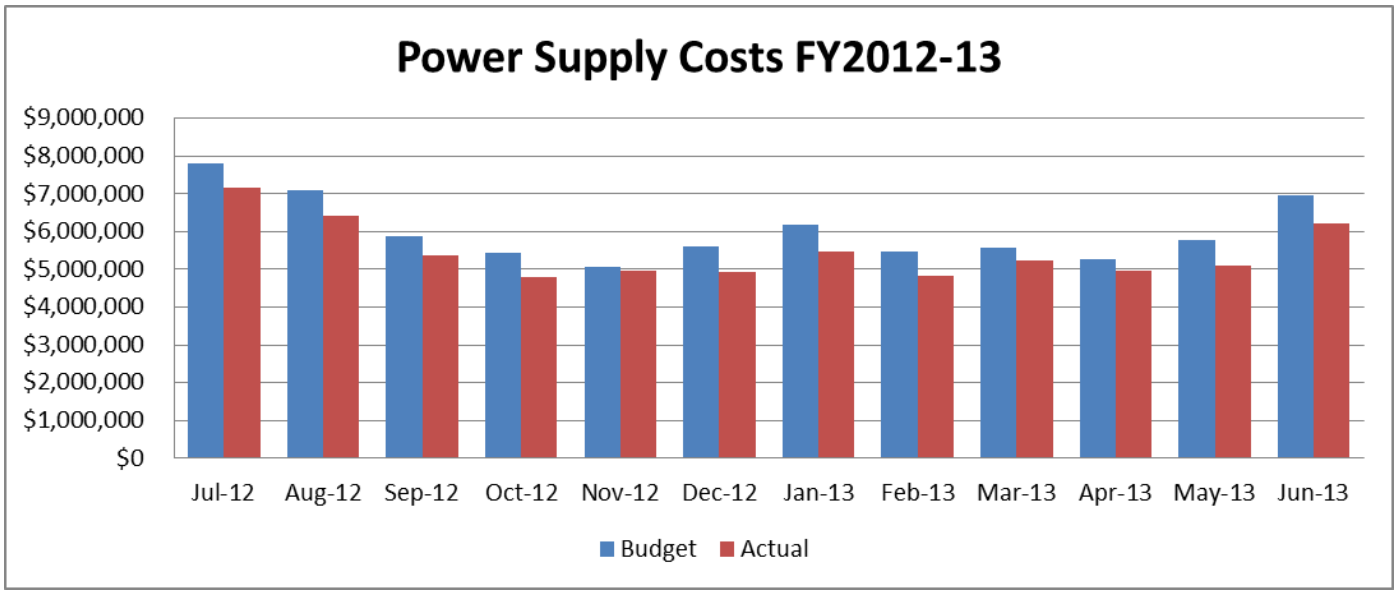
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I. Executive Summary

A. Power Supply Summary:



Overall Power Supply costs were $738,471 under budget due to lower than budgeted cost of energy purchases.

Dover's budgeted cost for all power supply (capacity AND energy) was $103.48/MWh. The actual cost of all power supply (capacity AND energy) was $89.65/MWh.

The cost of energy alone was $61.84/MWh, versus a budgeted energy cost of $76.25.

Dover's hedge purchases totaled 54,400 MWh, which was 81% of the projected load and 78% of the actual load.

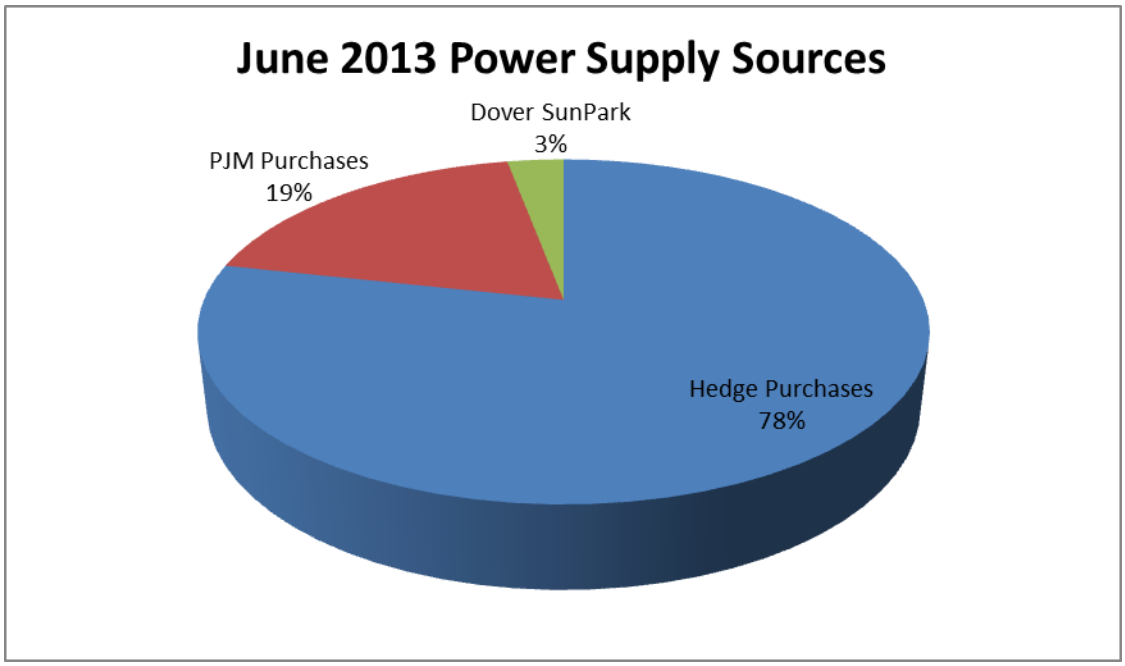
Dover's power purchases from hedge transactions totaled $3,339,040. Purchases from PJM (energy and fees) totaled $1,229,726 with DA Energy purchases totaling $726,021 and Balancing Spot Market Energy totaling a credit of $177,178.

Dover's total load was 69,373 MWh versus a forecasted load of 67,241 MWh.

Dover's planned energy purchase from the SunPark solar installation was 1973 MWh. Dover's actual energy purchase from the SunPark installation was 2062 MWh.

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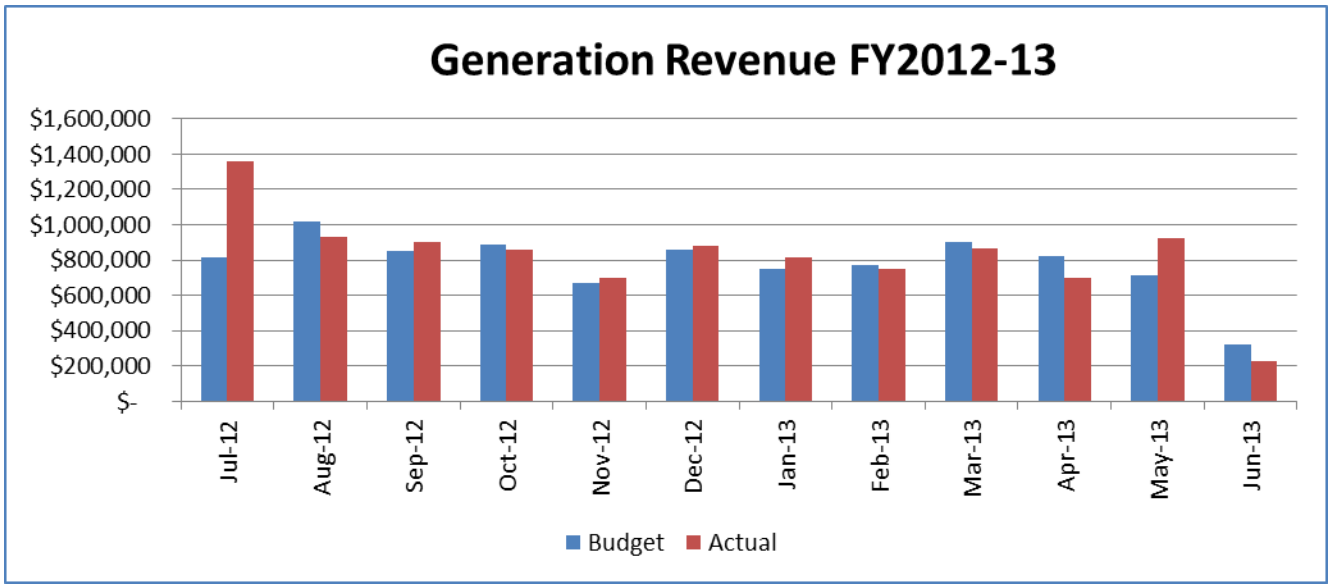
Supply Source Summary:



Supply Variance:

	Budget	Actual	Variance
Gross Load	67,241	69,373	(2,132)
Wholesale Load	65,268	67,311	(2,043)
Hedged Volume (MWh)	54,400	54,400	-
Unhedged Volume (MWh)	10,868	12,911	(2,043)
Dover SunPark Volume (MWh)	1,973	2,062	(89)
Renewable Energy Credits Volume	296	334	(38)
Hedged Cost ($/MWh)	$ 67	$ 62	$ 4
Unhedged Energy Cost ($/MWh)	$ 121	$ 54	$ 67
Solar Energy Cost ($/MWh)	$ 83	$ 86	$ (3)
Energy Costs ($/MWh)	**$76.25**	**$61.84**	**$14.41**
All-in Costs - Energy, Capacity and RECs ($/MWh)	**$103.48**	**$89.65**	**$13.82**

B. Generation Summary:



Dover generated 693.9 MWh in the month. Net generation revenue was $228,222 vs. a budget of $323,184. This delta was mainly due to higher than budgeted O&M costs.

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Generation Breakdown:

City of Dover's Wholesale Generation		
Net Generation Mwh		**693.90**
All In Generation Margin		
PJM Bill Energy	$	64,906.02
PJM Capacity	$	1,286,250.00
Black Start, Reactive Credit, DASR & EFORp	$	29,717.12
Gas Purchases	$	(43,450.00)
Oil Purchases	$	-
Transport / Cash Out	$	328.13
Gross Margin	**$**	**1,337,751.27**
Production Margin		
Generation Production Revenues (PJM)	$	64,906.02
Gas Purchases	$	(43,450.00)
Oil Purchases	$	-
Transport / Cash Out	$	328.13
Gross Production Margin	**$**	**21,784.15**

C. Emissions Summary:

Emissions Allowance Summary through June 30, 2013

CAIR EMISSION ALLOWANCE SUMMARY				
Date	**Action**	**SO_2 Allowances**	**NO_x Allowances[1]**	
			Seasonal	**Annual**
1/1/09	2008 Carryover	3,240	0	0
1/1/09	2009 Allocation	2,723	53	80
2/1/10	2010 Allocation	2,039	50	78
1/1/11	2011 Allocation	1,988	49	78
4/1/11	2011 Reallocation		2	4
1/11/12	2012 Allocation	1,988	51	80
10/4/2012	**2013 Allocation**	**1,988**	**49**	**76**
9/29/09	SO_2 Sales	(1,500)		
11/12/09	NO_x Ann. Sales			(45)
11/13/09	SO_2 Sales	(1,410)		
11/20/09	NO_x Seas. Sales		(25)	
12/31/09	2009 Emissions[2]	(1)	(6)	(13)
12/31/10	2010 Emissions	0	(54)	(54)
10/31/10	EPA Linearity Testing Req.		(68)	(68)
2011	2010 Deficit NO_x Purchases		53	22
Aug 2011	Revised 2010 ECMPS data		30	30
Nov 2011	NO_x Seas. Sales (DEMEC)		(1)	
12/31/11	2011 Emissions[2]	(1)	(32)	(36)
12/31/12	2012 Emissions[2]	(1)	(37)	(37)
Nov 2012	NO_x Seas. Sales (DEMEC)		(2)	
2/13/2013	NO_x Annual. Sales (DEMEC)			(3)
6/30/2013	**2013 Emissions**	**0**	**2**	**2**
REMAINING ALLOWANCES		**11,053**	**73**	**192**

On August 21, 2012, a three-judge panel of the U.S. District Court of Appeals (DCA) in Washington vacated EPA's Cross State Air Pollution Rule (CSAPR) which would have become effective on January 1, 2012. The DCA instructed EPA to continue administering the Clean Air Interstate Rule (CAIR). EPA has appealed this ruling to the U.S. Supreme Court, and the Court has agreed to review the DCA opinion. A ruling is not expected before June, 2014.

[1] Per CAIR, starting in 2009, NOx emissions are governed by a seasonal and annual program.
[2] Under CAIR, pre-CAIR SO2 allowances are retired at a rate of 2 allowances for each ton emitted. It is assumed that pre-CAIR allowances will be retired before CAIR allowances.

Market liquidity for CAIR allowances continues to be low, with few transactions occurring. The following table shows estimated values for Dover's banked allowances, based on broker bids & offers:

Mark-to-Market for CAIR Allowances (7/22/2013)			
Commodity	**$/Ton (Bid/Offer Avg.)**	**Tons**	**Extended Value**
SO_2 Allowances (2009 & earlier)	$ 1.38	5,089	$ 7,023
SO_2 Allowances (2010-13)	$0.60	5,964	3,578
NO_x Allowances - Seasonal	$18.00	73	1,314
NO_x Allowances - Annual	$40.00	192	7,680
TOTAL			**$19,595**

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 has elected 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.

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 (6/30/2013)							
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
CO_2 Allowance Vintage	**CO_2 Allowances Sold YTD**	**CO_2 Allowances Available (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	(17,763)	19,548	92,712
2012	0	27,058	925	27,983	(15,265)	11,793	104,505
2013	0	15,032	514	15,546	(934)	14,612	119,117

The table shows that the "**Allocated CO_2 Allowances"** (column 5) are declining. After 2013, Dover will no longer receive allocations of RGGI allowances. The Cumulative Balance (column 8) – aka "Banked Allowances") can be utilized for generation in future years (including 2013). Once the banked allowances have been fully utilized, Dover will be required to purchase allowances through the periodic RGGI auctions or through over-the-counter markets. Assuming that Dover does not sell any banked allowances, it will be able to maintain a positive balance through 2016 – 2025, depending on actual annual energy production in 2012 and beyond.

On February 7, 2013, RGGI proposed changes to its Model Rule. The proposed changes have been included in previous monthly reports. With the release of the *Updated Model Rule*, the RGGI states now plan to revise their CO_2 Budget Trading Programs through their individual state-specific statutory and regulatory processes. Each RGGI state seeks to complete their state specific processes such that the proposed changes to the program would take effect on January 1, 2014. Delaware has held two workgroup meetings on (5/14/2013 & 6/18/2013), and the Department of Natural Resources expects to publish a draft rule in the Delaware Register in the near future.

Dover could elect to sell all or a portion of its banked allowances now and re-acquire allowances at a later date; however TEA is currently of the opinion that Dover will be better off retaining its banked allowances for use during future compliance years.

The most recent RGGI auction occurred on June 7, 2013 and the auction cleared at $3.21/ton. The next auction will occur on September 4, 2013.

RGGI futures settlement prices posted on Intercontinental Exchange (ICE) on July 23, 2013 ranged from $3.27 to $3.50/ton, depending on vintage. **Based on the average ICE futures prices, the value of Dover's existing RGGI allowance bank (119,117 tons) is approximately $410,652.**

Vintage	Balance (Tons)	Settlement Price ($/Ton)	Extended Value
2009	56,388	$3.48	$196,230
2010	16,776	$3.50	58,716
2011	19,548	$3.50	68,418
2012	11,793	$3.35	39,507
2013	14,612	$3.27	47,781
TOTAL	**119,117**		**$410,652**

Renewable Energy Certificates

Dover owns two photovoltaic systems totaling 15 kW, consisting of (a 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 SRECS. Through the end of May 2013, Dover has accumulated a total of 5,113 SRECS from these renewable energy resources.

The nearest viable market for Dover's SRECs is Pennsylvania. Pennsylvania's July 2013 SREC auction cleared at $10/MWh. Using this price, Dover's **SRECs would have a market value of $51,130**.

TEA continues to recommend to Dover to retain these allowances for compliance with its Renewable Portfolio Standard which DEMEC is working on. Once Dover has an approved RPS in place, it may be required to retire a portion of its current SREC balance for compliance in the 2012/13 future compliance year. Any remaining SRECs could be used for the 2013/14 compliance year.

D. Operations Management Summary:

During the month of June, there were no reportable or lost time accidents or injuries. The facility has now gone 990 days without an OSHA recordable accident and 990 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued and there were no Near Miss incidents. In the month of June, Unit 3 was dispatched once by PJM during which it was on-line for 10.7 hours. All Units were in a planned outage starting March 4 and were closed out on June 3, 2013. Final work continued on the installation of the industrial waste water discharge system with an early July completion date.

Monthly Budget Variance – Since the City of Dover has not yet closed it books on the month/FY13, actual expenses including accruals attributable to the O&M of both sites for the month of June are estimated to be approximately $1,109,529 against a budgeted amount of $998,647 for an unfavorable variance of $110,883 or 11.1%. The principal reasons for the unfavorable variance was due to higher than budgeted Operator Incentive, Accruals of various expenses and timing of other invoices for payment.

E. Risk Management Summary:

Forward power prices in PJM are similar to last month. The blended cost has decreased in 2013-2014 but increased in 2014-2015 and 2015-2016.

The current projected cost of service is below:

Year	Hedge Ratio	Blended Cost ($/MWh)	Monthly Change
2013-14	62%	$ 51.33	$ (0.33)
2014-15	38%	$ 46.41	$ 0.67
2015-16	15%	$ 45.19	$ 0.62

II. Budget Report

Variance Report:

	Budget Jun-13	Actual Jun-13	Variance
Gross Load	**67,241**	**69,373**	**(2,132)**
Power Supply			
Hedged Energy	$3,632,320	$3,399,040	$233,280
PJM- Energy	$1,317,933	$702,584	$615,349
PJM - Transmission and Fees	$313,000	$527,142	($214,142)
Dover SUN Park Energy	$176,929	$188,262	($11,333)
Management Fees	$83,000	$83,000	$0
Capacity UCAP Obligated Purchased	$1,434,646	$1,319,328	$115,318
Subtotal - Power Supply	**$6,957,828**	**$6,219,357**	**$738,471**
Power Generation O&M & Fixed Fuel			
Plant O&M	$998,646	$1,109,529	($110,883)
Subtotal Generation O&M	**$998,646**	**$1,109,529**	**($110,883)**
Power Generation Production Margin			
Economic and reliability dispatch	$0	($64,906)	$64,906
Fixed Fuel and Transport Charges	$0	$43,122	($43,122)
Subtotal Generation Production Margin	**$0**	**($21,784)**	**$21,784**
Power Generation Non-Production Revenue			
Generation Capacity Credit	($1,286,250)	($1,286,250)	$0
Emissions Allowance Sales	$0	$0	$0
Black Start & Reactive Power Revenue	($35,580)	($29,717)	($5,863)
Subtotal - Non-Production Revenue	**($1,321,830)**	**($1,315,967)**	**($5,863)**
SubTotal - All Generation	**($323,184)**	**($228,222)**	**($94,962)**
Total - Utilities Cost	**$6,634,644**	**$5,991,134**	**$643,510**
Unit Costs			
Total - Power Supply	$103.48	$89.65	$13.82
Total - Power Generation	($4.81)	($3.29)	($1.52)
Final Cost of Service to City of Dover Ratepayers	$98.67	$86.36	$12.31

Variance Analysis:

Power Supply

- Dover consumed 2,132 MWh more than what was forecasted for the month.
- PJM energy costs were lower than expected, but PJM's fees were higher than forecast. Hedged costs were below forecast.
- The result of lower overall costs for more power was a net power supply cost of $89.65/MWh, $13.82/MWh lower than budget.
- For the month, the city realized a favorable variance of $738,471 for power supply vs. the monthly budget.
- Dover Sun Park generated 89 MWh more than forecast.

Generation

- Power generation had an unfavorable budget variance of $94,962.
- Plant O&M expenses had an unfavorable budget variance of $110,883 for the month.

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YTD Variance Report:

	Budget YTD	Actual YTD	Variance
Gross Load	**750,296**	**752,870**	**(2,574)**
Power Supply			
Hedged Energy	$39,468,889	$38,100,074	$1,368,815
PJM- Energy	$13,752,305	$7,827,207	$5,925,098
PJM - Transmission and Fees	$3,756,000	$5,301,066	($1,545,066)
Dover SUN Park Energy	$1,506,492	$1,626,799	($120,308)
Management Fees	$996,000	$996,000	$0
Capacity UCAP Obligated Purchased	$12,564,792	$11,587,934	$976,858
Subtotal - Power Supply	**$72,044,478**	**$65,439,081**	**$6,605,397**
Power Generation O&M & Fixed Fuel			
Plant O&M	$5,914,900	$5,829,862	$85,038
Subtotal Generation O&M	**$5,914,900**	**$5,829,862**	**$85,038**
Power Generation Production Margin			
Economic and reliability dispatch	($1,124,312)	($1,947,770)	$823,458
Fixed Fuel and Transport Charges	$586,004	$1,025,766	($439,762)
Subtotal Generation Production Margin	**($538,308)**	**($922,004)**	**$383,696**
Power Generation Non-Production Revenue			
Generation Capacity Credit	($14,318,591)	($14,318,587)	($4)
Emissions Allowance Sales	$0	$0	$0
Black Start & Reactive Power Revenue	($426,960)	($485,722)	$58,762
Subtotal - Non-Production Revenue	**($14,745,551)**	**($14,804,309)**	**$58,758**
SubTotal - All Generation	**($9,368,959)**	**($9,896,451)**	**$527,492**
Total - Utilities Cost	**$62,675,519**	**$55,542,630**	**$7,132,889**
Unit Costs			
Total - Power Supply	$96.02	$86.92	$9.10
Total - Power Generation	($12.49)	($13.14)	$0.66
Final Cost of Service to City of Dover Ratepayers	$83.53	$73.77	$9.76

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III. Operations Management

NAES Corporation
Dover, Delaware

June 2013
Monthly Report



McKee Run Generating Station

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1.0 Environmental, Health and Safety:

During the month of June, there were no restricted work days or lost time accidents. The facility has now gone two years, eight months and sixteen days (990 days) through June 30, 2013 without an OSHA Recordable Accident or a Lost Time reportable accident.

A NAES sponsored webinar was attended by the O&M Manager and Compliance Manager regarding the major LOTO (SMP-03) revision currently taking place. The facility has begun work to roll out the new program and train all employees by the targeted completion date of July 31, 2013.

The Plant Safety Training Matrix has been updated for calendar year 2013 and is being tracked on a monthly basis for all employees. The training program includes the inclusion of the General Physics on-line training system as well as plant safety procedures and policies. Safety Procedures and associated quizzes are currently being updated. As they are completed, staff will retrain on each one to ensure they understand what changes have been made, if any, to the programs.

The plant received no Notice of Violations (NOVs) during the month. The June (May Discharge) DMR was submitted for the McKee Run site with no NPDES exceedences.
Work and shakedown on the Industrial Wastewater Project was completed. The facility is waiting on system as-built drawings, as well as working with the City of Dover and Kent County to finalize reporting and monitoring requirements for billing and regulatory purposes. The system is expected to "go-live" in July 2013.

A NAES sponsored webinar was attended by the Compliance Manager on Title V Part 75 QA/QC reporting and monitoring. In particular, the webinar covered ECMPS data submissions and how to appropriately track QA/QC deadlines and requirements. As the facility uses VIM, our DAHS vendor, this is currently being done effectively with a secondary review performed monthly by the facility to ensure accuracy.

Environmental, Health, and Safety Statistics		
	Month (June)	Fiscal Year to Date (7/1/12-6/30/13)
NOVs	0	0
Opacity Deviations	0	1
Environmental Deviations	0	7
OSHA Recordable	0	0
OSHA LTA's	0	0
First Aid cases	0	0
Restricted Workday Accident	0	0
Near Miss	0	2
Man Hours Worked	4207.50	55911.00
Date last OSHA Recordable		10/14/10
Date last Lost Time Accident		10/14/10
Days since last OSHA recordable		990
Days since last Lost Time Accident		990

Emissions (NO_x & SO_2) All data thru 6/30/13

NOx Summary – Ozone Season (May-Sep) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2010	0.7	2.2	88.7	3.3	94.7
2011	1.8	1.5	31.4	1.4	36.1
2012	1.2	1.0	35.8	1.0	33.1
2013	0.0	0.0	1.8	0.0	1.8
NOx Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2010	0.7	2.2	88.7	3.3	94.7
2011	1.8	1.5	32.6	2.9	38.8
2012	1.2	1.1	35.8	1.0	36.9
2013	0.0	0.0	1.9	0.0	1.9
SO_2 Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2010	0.0	0.0	0.3	0.0	0.3
2011	0.0	0.0	0.1	0.5	0.6
2012	0.0	0.0	0.0	0.1	0.1
2013	0.0	0.0	0.0	0.0	0.0

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)***
2010 and earlier	3***					27/0	0/2
2011	0	77/48	5/3	33/31– 3/1	0/0 - 0/0	42/10	2/2
2012	2**	75/46	5/3	36/36 – 1/1	0/0 - 0/0	39/10	2/0
2013	0	77/48	5/3	2/2 – 0/0	0/0 - 0/0	75/46	5/3
				Total NOx Allowance Balance		**183/66**	**9/7**
***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- The facility transferred Annual allowances to a third party**							

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***		
2010 and earlier	0	4815	276	0	5089
2011	0	1850	138	1	1988*
2012	0	1850	138	1	1988*
2013	0	1850	138	0	1988*
			Total SO2 Allowance Balance		**11,053**
Note – Emissions allowances are deducted according to oldest vintage first, unless otherwise directed.					

CO2 Allowances Summary					
CO2 Allowance Vintage	CO2 Allowances Sold YTD	CO2 Allowances Available (Per Facility, Prior to Sale)		Total CO2 Tons Emitted	CO2 Allowance Balance
		McKee Run	***VanSant***		
2009	0	60,128	2,056	5,796	56,388
2010	0	48,102	1,645	32,971	16,776
2011	0	36,077	1,234	17,763	19,548
2012	0	27,058	925	15,265	11,793
2013	0	15,032	514	934	14,612
			Total CO2 Allowance Balance		**119,117**
***Note: CO2 allowance values are provided by the RGGI CO2 Allowance Tracking System.**					

2.0 Financial

Financial – Current Month (Estimated)

Month – June			
	Actual (Estimated)	Budget	Variance (Estimated)
Personnel	748,719	733,739	($14,980)
Materials & Supplies	24,395	8,740	($15,655)
Administrative Expenses	336,415	256,167	($80,248)
Total	**$1,109,529**	**$998,646**	**($110,883)**

Financial – Fiscal Year to Date (Estimated)

Number of Months – 12			
	Actual (Estimated))	Budget	Variance (Estimated)
Personnel	3,598,656	3,669,300	70,644
Materials & Supplies	202,291	209,600	7,309
Administrative Expenses	2,028,914	2,036,000	7,086
Total	**$5,829,861**	**$5,914,900**	**85,039**

2.1 Variance analysis:

The City of Dover Finance Department has not yet closed the books for the month of June 2013. The estimated expenses for June are $1,109,529 against a budgeted amount of $998,647 for an unfavorable variance of $110,883 or ≈ 11.10%. The variance was due to the following:

PERSONNEL EXPENSES – An unfavorable monthly variance of $14,980 was due to the accruals of a payroll(s). Plant budgeted for three (3) payroll periods and an additional week of payroll was expensed as an accrual. Included in these costs are straight time labor, overtime labor, and labor burdens.

MATERIALS AND SUPPLIES EXPENSES- An unfavorable monthly variance of $15,655 was due primarily to the purchase of a new server and software upgrades. The server was budgeted for in an earlier month but wasn't purchased until June. The software upgrades were not originally budgeted; however a budget amendment was processed and approved for this purchase.

ADMINISTRATIVE EXPENSES – An unfavorable monthly variance of $80,248 was due primarily to accrual of monthly electric usage invoice, operator incentive higher than budgeted, additional work in contractual services to support FAC / HEP studies, and expenses related to the VanSant capacity increase feasibility study.

The budget is currently forecasted to finish this fiscal year at $5,829,861 expensed versus an approved budget of $5,914,900 thereby realizing a 98.56% expenditure rate.

3.0 Operations

Unit Operations / Outages / Trips

The Spring Planned Outage for all four units was cleared on June 3 at 0700 hours. Unit 3 was dispatched by PJM once in the month of June and operated without incident. Units 1, 2, and 11 were not dispatched in the month of June.

Month June 2013							
		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	10.700	10.700	0.0	10.700
Starts	#	0	0	1	1	0	1
Gross Generation	MWh	0.0	0.0	757.121	757.121	0.0	757.121
Net Generation	MWh	0.0	0.0	696.098	696.098	0.0	696.098
Total Auxiliaries	MWh	18.887	18.887	199.820	237.593	2.330	239.923
Auxiliaries purchased	MWh	18.887	18.887	138.797	176.570	2.330	178.900
Fuel Gas Used	MMBTU	0.0	0.0	8,001	8,001	0.0	8,001
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	8,001	8,001	0.0	8,001
Net Heat Rate	BTU/KWh	0	0	11.494	11.494	0	11.494
Unit Trips	#	0	0	0	0	0	0
Capacity Factor	%	0.0	0.0	0.95	0.71	0.0	0.55
Availability Factor	%	92.36	92.36	92.36	92.36	92.36	92.36
Commercial Unavailability (CU)	%	0	0	0	0	0	0
Planned Outage Hours	Hours	55.000	55.000	55.000	165.000	55.000	220.000
Maintenance Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Forced Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	665.000	665.000	654.3	1,984.3	665.000	2,649.3
HW Boiler Gas Usage	MMBTU				0.0		0.0
Pilot Gas Usage	MMBTU	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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2012-2013 Fiscal Year-to-Date - June							
		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	96.282	71.970	308.713	476.965	22.699	499.664
Starts	#	3	2	31	36	5	41
Gross Generation	MWh	668.79	582.202	20,015.521	21,266.513	714.904	21,981.417
Net Generation	MWh	628.855	541.673	18,424.716	19,595.244	714.287	20,309.531
Total Auxiliaries	MWh	359.474	360.067	3,549.610	4,269.151	40.206	4,309.357
Auxiliaries purchased	MWh	319.539	319.539	2,019.828	2,658.904	39.675	2,698.579
Fuel Gas Used	MMBTU	9,483	8,108	213,543	231,134	8,642	239,777
Fuel Oil Used	MMBTU	0.0	0.0	0.0	0.0	112.567	112.567
Fuel Oil Used	Gallons	0.0	0.0	0.0	0.0	5,806	5,806
Total Fuel	MMBTU	9,483	8,108,	213,543	231,134	8,642	239,777
Net Heat Rate	BTU/KWh	15,021	14,970	12.037	14.007	12,604	13,701
Unit Trips	#	0	0	2	2	0	2
Capacity Factor	%	0.41	0.37	2.07	1.65	0.21	1.33
Availability Factor	%	57.62	57.62	57.77	57.67	57.62	57.66
Commercial Unavailability (CU)	%	0	0	0	0	0	0
Planned Outage Hours	Hours	3,696	3,696	3,696	11,088	3,641	14,784
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	4,971.218	4,992.030	4,778.570	14,741.818	5,041.934	19,783.752
HW Boiler Gas Usage	MMBTU				2,560.313		2,560.313
Pilot Gas Usage	MMBTU	1,340	1,049		2,389		2,389

Fuel Oil Inventory							
	Monthly Inventory (Start)	Monthly Inventory (End)	Fuel Purchases (Month)	Monthly Inventory (Change)	FY 12-13 Inventory (Start)	Fuel Purchases (YTD)	FY 12-13 Inventory (Change)
McKee Run (#2 Fuel Oil)	452,963	453,844	0	881	454,725	0	(881)
VanSant (#2 Fuel Oil)	145,796	146,133	0	337	152,150	0	(6,017)

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

VanSant Lifetime through 6/30//13			
	Actual Starts	Factored Starts	Fired Hours
VanSant	1308	2,238.75	4,219.80
Since HGP - Dec 2004	232	571.05	836.22

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 help in maintaining the plant.

The Operations staff continues to support maintenance activities during the planned outage by serving as Confined Space Attendants for confined space areas as well as other support tasks. The Operations staff has also supported the outage by performing various LOTO tasks needed to test or place equipment in or out or service.

The Operations staff has been continuing their work on painting the fuel lines now that most of the insulation has been removed from the pipeline.

Capacity Testing – FY 2012-2013					
Summer 2012 (June 1- Aug 31)			**Winter 2012-2013 (Dec 1- Feb 28)**		
Unit	Rated Net Capability (MW)	Reported Net Capability (MW)	Unit	Rated Net Capability (MW)	Reported Net Capability (MW)
1	17	17.0	1	17	17*
2	17	17.3	2	17	17*
3	102	102.7	3	102	102*
VanSant	39	39.0	11	39	39*
Total	175	176.0	Total	175	175*

Note: * Denotes Unit is qualified for the PJM Winter Demonstration Period Exemption Program and data has been submitted into the PJM eGADS

4.0 Maintenance

During the month of June, the Plant Maintenance staff continued addressing the backlog of work orders and completing outage activities. There were forty-nine work orders issued with seventy-one work orders being completed during the month. There were no 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

June - 2013

Priority #	Outstanding From Previous Month	Issued This Month	Completed This Month	Outstanding at the end of the month
1	9	6	5	10
2	41	17	28	30
3	37	0	3	34
4	7	0	0	7
5	15	0	1	14
SW1	0	0	0	0
SW2	0	0	0	0
SW3	0	0	0	0
SW4	0	0	0	0
SW5	0	0	0	0
PM	28	26	34	20
Totals	137	49	71	115

Note: PM Work Orders are included in the priority totals

Notable activities during the month include:

- The NAES IC&E Staff removed old inefficient lighting in the DI area. They installed new lighting that is more energy efficient, will illuminate the area much better and will allow for greater ease of operation and maintenance.

- The NAES Maintenance Staff completed the lube oil change out on the FD Fans, ID Fans, and Circulating Water Pumps on all three units. The oil was changed out due to recommendations resulting from recent oil analysis results.

- The NAES Maintenance Staff moved the tie in point for blowdown off Units 1 and 2 condensers to the Industrial Waste Water System. The original tie in point required an operator to prime the line every time Units 1 & 2 Cooling Tower needed to blown down. With the new tie in point, the blowdown can be easily initiated from the control panel without the need for priming the system.

5.0 Capital Improvement Projects (CIP)

Project Number	Description	Update
EG1102	Units 1 & 2 Cooling Tower Repairs	Progress: Minor repairs made to cooling tower. Additional work slated for FY18 Schedule: Work complete for FY13. Multi-year project.
EG1202	Unit #3 Boiler Systems	Progress: Work scheduled for the Spring 2013 outage is 100% complete. Schedule: Multi-year project with additional work slated for FY15.
EG1203	Unit 3 Auxiliary System Components	Progress: Work scheduled for the Spring 2013 outage is at 100% completion. Schedule: Multi-year project with FY14 work now in planning stages.
EG1212	Unit 3 Turbine Repairs	Progress: Plant staff continues working with OEM to determine long lead material requirements. Schedule: Long lead items will be procured in the spring of 2013. Some turbine parts (turbine 9th stage blades) have been ordered and received. List of consumables is being finalized and quotes requested thereafter.
EG1304	Units 1 & 2 Components Repairs	Progress: Work on hold for present time. Schedule: Work on hold for present time.
EG1306	Turbine Level Window modification	Progress: Feedback from insurance company revealed that this recommendation will be withdrawn. Schedule: Work complete.
EG1112	Unit 3 Air Heater Expansion Joint	Progress: Material has been purchased, delivered, and has been installed. Schedule: Work was completed in November. Project will be closed.
EG1309	Unit 3 Stack Repairs	Progress: Scope of work has changed since this project was proposed as the stack inspection performed in spring of 2012 determined stack lining in worse condition than expected. Activities in 2013 will be to develop repair scope and obtain bids for the work. This should be completed in the 3rd FY quarter. Schedule: The scoping of work should be completed in the 3rd quarter FY13 with bids and revised installation costs identified. Actual repair work will be scheduled for fiscal 2015.
EG1310	Units 1&2 Stack Repairs	Progress: The FY2016 work scope package being developed. Schedule: Work deferred until 2016. Inspection was completed in November and scoping documents will be developed based on

		inspection report findings.
EG1311	VanSant Capacity Increase	Progress: Valuation of the benefits of various technologies has been completed and TEA has recommended implementation of the Wet Compression Technology at an approximate cost of $1.5M. Plant staff has developed a cost schedule and amended the CIP which was approved by the COD City Council at the June 24, 2013 meeting Schedule: Plant Staff and TEA to develop scoping documents and proceed with getting regulatory approvals.
EG1312	Unit 3 Generator Repairs	Progress: Project is complete except for final invoicing and payment of parts and services. Schedule: Project is expected to be closed out in July/August time period.
EG1214	MR Industrial Waste water System	Progress: Mechanical and electrical installation work is complete. "As-built" drawings are to be submitted for finalization. Final permit is expected to be received from Kent County in early July. Schedule: Project to be entirely complete no later than August 2013.
EG1301	Unit 1 Gland Steam Seal Repair	Progress: NA Schedule: Work is complete.

6.0 General Plant Information

- TEA has evaluated the findings of the McHale and Associates Report (Capacity upgrade opportunities for VanSant) and has imported the data into their financial model. From this, TEA developed a presentation that was presented at the March COD/TEA/NAES Management Meeting in which they recommended implementation of the Wet Compression Technology with an estimated cost of $1.5 million dollars. A number of action items were also identified that need to be followed up by NAES and by TEA including updating the project CIP costing and having a discussion with the DNREC regarding the effect the power increase could have on emissions. Included in the action item list was a breakdown of project costs and time frame when those costs would be expected to be expensed.

- The Spring Outage in PJM eDART has now been closed. The outage had officially begun on March 4, 2013 at 0700 hours and continued until it was closed out on June 3, 2013 at 0700 hours. Some planned activities were not completed during the allocated time frame and are now scheduled for completion during the fall outage along with a number of other tasks including replacement of the Unit 3 Cooling Tower Hot Water Basin Deck Cover.

Training:

- Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. The monthly safety topic was on “Heat Exhaustion”. Topics discussed during the monthly safety committee meeting were reviewed by the entire staff.

- Plant employees continue using the General Physics safety training and environmental courses to enhance their overall knowledge of permit and safety requirements. As the GPI courses are being completed, the employee reviews the standard operating procedure (SMP) for the same topic they are training on to review NAES policy as well

Calendar of Events	Date
PJM Summer Capacity Test Period	June 1, 2013 – August 31, 2013
Toxic Release Inventory (TRI) Annual Report	July 1, 2013
McKee Run and VanSant Title V Semi-Annual Certification Due	August 1, 2013
DRBC Study Due	September 15, 2013
NOx Ozone Season Ends	September 30, 2013
Units 1, 2, 3 and 11 Fall Outage	TBD
Three Year Accident Free	October 14, 2013
Winter Capacity Period	December 1, 2013 to February 28, 2014
EIA-860 Report	February 28, 2014
EIA-923 Report	February 28, 2014
NOx Emissions Reconciliation Due	March 1, 2014
SO2 Emissions Reconciliation Due	March 1, 2014
SARA III Report	March 1, 2014
NPDES Permit Renewal Due	March 4, 2014
Units 1, 2, and 3 Spring Outage	March , 2014 – June , 2014
Unit 11 Spring Outage	March , 2014 – June , 2014
Annual VanSant Black Start Test	March , 2014
Air Emission Inventory	March , 2014
NOx Ozone Season Starts	May 1, 2014

7.0 Summary of NAES Performance to Date

Measure	Plant Performance FY 2012-2013 Month		Year to Date		YTD Incentive	FY Maximum Incentive
Commercial Unavailability (CU)	0%		0%		$93,022	$93,022
Safety	0		0		$17,440	$17,440
Environmental	0		0		$17,440	$17,440
Capacity Tests Completed	Summer	Winter	Summer	Winter		
Unit 1	No	No	Yes	Yes*	$3,488*	$3,488
Unit 2	No	No	Yes	Yes*	$3,488*	$3,455
Unit 3	No	No	Yes	Yes*	$20,930*	$20,930
Unit 11	No	No	Yes	Yes*	$6,977*	$6,977
Total YTD Incentive %	100.00%		***Total YTD Incentive***		$162,788	$162,788

Note: All units have successfully completed the PJM Summer Capacity Tests and were entered into the PJM Winter Capacity Test Exemption Program*. The YTD Incentive calculation reflects this information.

IV. Appendix – PJM Invoice Breakdown

	Gen	Load	Grand Total
Auction Revenue Rights		($26,010.90)	($26,010.90)
Balancing Operating Reserve	($1,246.28)	$23,537.32	$22,291.04
Balancing Operating Reserve for Load Response		$166.39	$166.39
Balancing Spot Market Energy	$2,096.34	($177,178.27)	($175,081.93)
Balancing Transmission Congestion	$59.68	$8,849.24	$8,908.92
Balancing Transmission Losses	$90.76	$5,029.82	$5,120.58
Black Start Service		$1,936.99	$1,936.99
Capacity Resource Deficiency		($330.35)	($330.35)
Capacity Transfer Rights		($18,612.90)	($18,612.90)
CT Lost Opportunity Cost Allocation		($16.80)	($16.80)
Day-Ahead Load Response Charge Allocation		$306.07	$306.07
Day-ahead Operating Reserve	($5,869.44)	$8,828.24	$2,958.80
Day-ahead Scheduling Reserve	($172.89)	$718.05	$545.16
Day-ahead Spot Market Energy	($51,609.42)	$726,020.92	$674,411.50
Day-ahead Transmission Congestion	($6,353.76)	$16,374.23	$10,020.47
Day-ahead Transmission Losses	($2,073.90)	$95,985.58	$93,911.68
Expansion Cost Recovery		$427.50	$427.50
FERC Annual Recovery		$4,088.77	$4,088.77
Generation Deactivation Refund		($758.35)	($758.35)
Generation Resource Rating Test Failure	($76.65)		($76.65)
Inadvertent Interchange		($619.31)	($619.31)
Incremental Capacity Transfer Rights		($1,704.30)	($1,704.30)
Load Reconciliation for Balancing Operating Reserve		$41.17	$41.17
Load Reconciliation for Day-ahead Scheduling Reserve		$0.14	$0.14
Load Reconciliation for FERC Annual Recovery		$49.53	$49.53
Load Reconciliation for Inadvertent Interchange		($5.85)	($5.85)
Load Reconciliation for Market Monitoring Unit (MMU) Funding		$3.20	$3.20
Load Reconciliation for Non-Synchronized Reserve		$5.09	$5.09
Load Reconciliation for North American Electric Reliability Corporation (NERC)		$8.32	$8.32
Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		$0.57	$0.57
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		$171.90	$171.90
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund		($4.92)	($4.92)
Load Reconciliation for Reactive Services		$2,734.76	$2,734.76
Load Reconciliation for Regulation and Frequency Response Service		$162.55	$162.55
Load Reconciliation for Reliability First Corporation (RFC)		$11.90	$11.90
Load Reconciliation for Schedule 9-6 - Advanced Second Control Center		$24.48	$24.48
Load Reconciliation for Spot Market Energy		$29,423.35	$29,423.35
Load Reconciliation for Synchronized Reserve		$82.30	$82.30
Load Reconciliation for Transmission Congestion		($315.77)	($315.77)
Load Reconciliation for Transmission Losses		$507.41	$507.41
Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		$61.85	$61.85
Locational Reliability		$1,339,975.80	$1,339,975.80
Market Monitoring Unit (MMU) Funding		$269.39	$269.39
Meter Error Correction		($5,070.84)	($5,070.84)
Michigan - Ontario Interface Phase Angle Regulators		$191.90	$191.90
Miscellaneous Bilateral		($523.53)	($523.53)
Network Integration Transmission Service		$331,131.30	$331,131.30
Non-Firm Point-to-Point Transmission Service		($437.85)	($437.85)
Non-Synchronized Reserve		$37.26	$37.26
North American Electric Reliability Corporation (NERC)		$687.19	$687.19
Organization of PJM States, Inc. (OPSI) Funding		$47.42	$47.42
PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center		$1,509.35	$1,509.35
PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.		$913.50	$913.50
PJM Scheduling, System Control and Dispatch Service - Control Area Administration		$11,627.23	$11,627.23
PJM Scheduling, System Control and Dispatch Service - Market Support		$2,642.78	$2,642.78
PJM Scheduling, System Control and Dispatch Service - Market Support Offset		($367.92)	($367.92)
PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration		$112.36	$112.36
PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.		($23.40)	($23.40)
PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration		($329.86)	($329.86)
PJM Scheduling, System Control and Dispatch Service Refund - Market Support		($77.25)	($77.25)
PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration		($3.99)	($3.99)
PJM Settlement, Inc.		$367.92	$367.92
Reactive Services		$129,955.76	$129,955.76
Reactive Supply and Voltage Control from Generation and Other Sources Service	($29,467.58)	$34,385.92	$4,918.34
Real-Time Load Response Charge Allocation		$114.61	$114.61
Regulation and Frequency Response Service		$16,916.46	$16,916.46
Reliability First Corporation (RFC)		$982.69	$982.69
RPM Auction	($1,286,250.00)		($1,286,250.00)
Synchronized Reserve		$ 1,517.62	$ 1,517.62
Transmission Enhancement		$4,569.53	$4,569.53
Transmission Losses		($27,172.76)	($27,172.76)
Transmission Owner Scheduling, System Control and Dispatch Service		$5,105.80	$5,105.80
Grand Total	**$ (1,380,873.14)**	**$ 2,549,054.31**	**$ 1,168,181.17**

Monthly TEA Report - July 2013
Revised Power Supply & Generation

	Budget July	Actual July	Variance
Hedged Energy	$3,452,702	$3,452,702	$0
PJM Energy	975,221	1,557,651	(582,430)
PJM ARR, transmission & fees	395,000	569,240	(174,240)
Dover Sun Park Energy	169,439	187,421	(17,982)
Dover Sun Park RECs (1)	25,000	-	25,000
Management fees	83,000	83,000	-
Capacity purchased	1,388,224	1,363,483	24,741
Sub-total Power Supply	**6,488,586**	**7,213,497**	**(724,911)**
Non-Ins Exp	428,639	493,134	(64,495)
Insurance	377,755	364,817	12,938
Plant O & M	806,394	857,951	(51,557)
Economic and reliability dispatch	(230,472)	(1,124,166)	893,694
Fixed fuel and transport charges (2)	-	423,721	(423,721)
Generation production margin	(230,472)	(700,445)	469,973
Generation capacity credit	(1,329,125)	(1,329,125)	-
Black start & transmission losses	(35,580)	(162,140)	126,560
Total non-production revenue	(1,364,705)	(1,491,265)	126,560
Sub-total all generation	**(788,783)**	**(1,333,759)**	**544,976**
Total cost of supply & generation	$5,699,803	$5,879,738	-$179,935
Unit Costs	**76,312**	**82,072**	**(5,760)**
Power supply	$85.03	$87.89	($2.87)
Power generation	($10.34)	($16.25)	$5.91
Cost of service	$74.69	$71.64	$3.05

(1) Dover Sun Park REC's are paid a month in arrears

(2) Fixed fuel and transport is not budgeted as we don't budget to run the generating assets. We budget as if we purchase all supply since we don't know when PJM will call us to run.

The Energy Authority, Inc.

Monthly Management Committee Update – July 2013

August 22, 2013

Prepared by:

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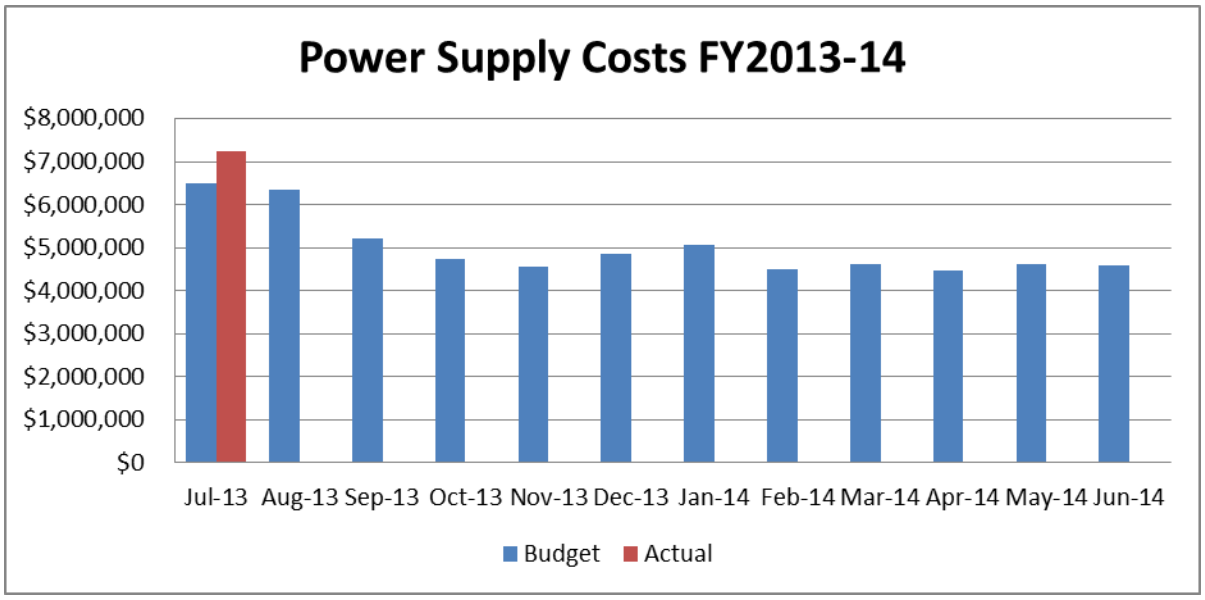
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I. Executive Summary

A. Power Supply Summary:



Overall Power Supply costs were $768,197 over budget due to higher than budgeted cost of energy purchases. Actual market purchases and prices were higher than budgeted. This was driven by the higher than normal temperatures experienced in the Northeast in July.

Dover's budgeted cost for all power supply (capacity AND energy) was $85.03/MWh. The actual cost of all power supply (capacity AND energy) was $88.42/MWh.

The cost of energy alone was $63.33/MWh, versus a budgeted energy cost of $60.24.

Dover's hedge purchases totaled 58,720 MWh, which was 77% of the projected load and 72% of the actual load.

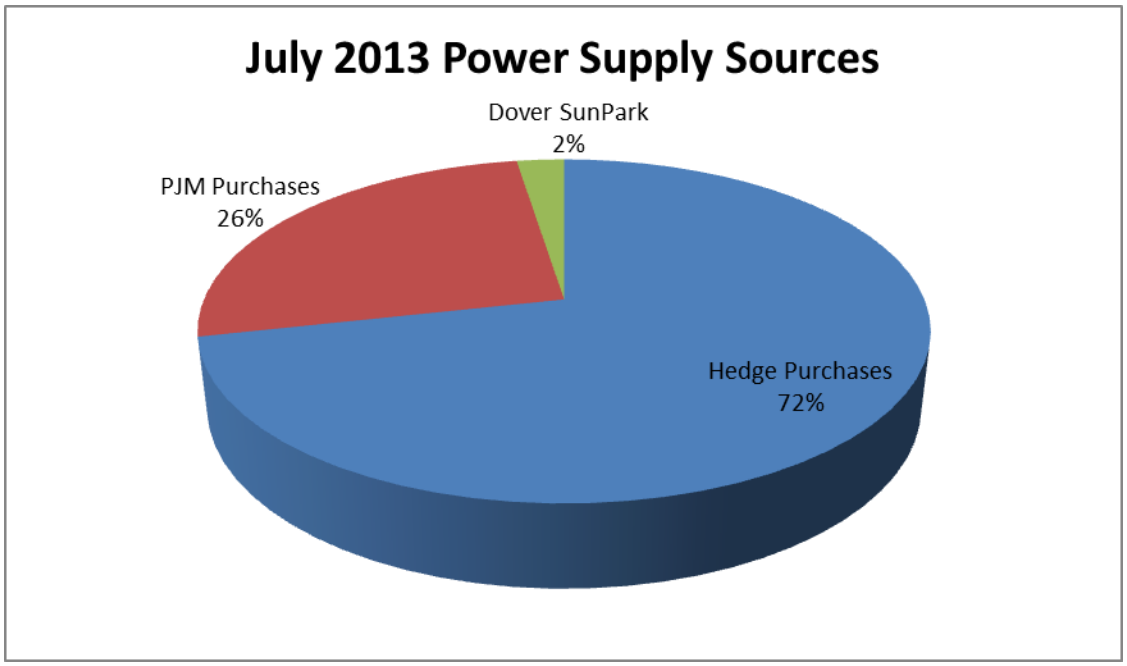
Dover's power purchases from hedge transactions totaled $3,452,702. Purchases from PJM (energy and fees) totaled $2,126,891 with DA Energy purchases totaling $1,160,675 and Balancing Spot Market Energy totaling a credit of $92,485.

Dover's total load was 82,072 MWh versus a forecasted load of 76,312 MWh.

Dover's planned energy purchase from the SunPark solar installation was 2075 MWh. Dover's actual energy purchase from the SunPark installation was 2053 MWh.

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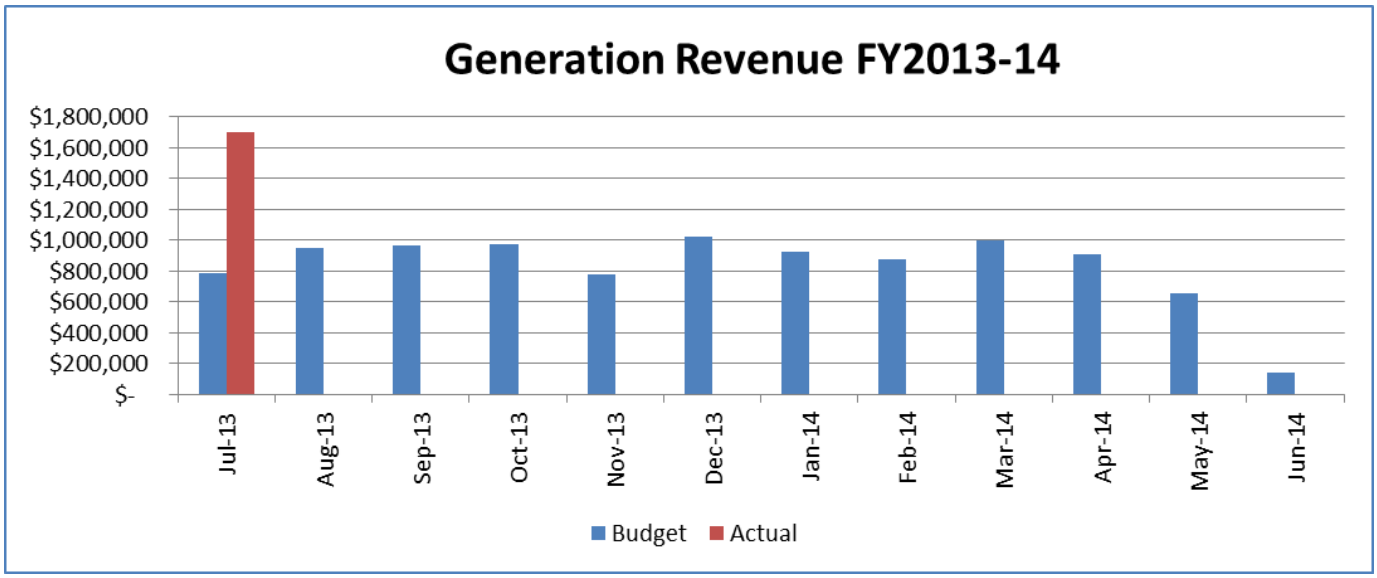
Supply Source Summary:



Supply Variance:

	Budget	Actual	Variance
Gross Load	76,312	82,072	(5,760)
Wholesale Load	74,277	80,019	(5,742)
Hedged Volume (MWh)	58,720	58,720	-
Unhedged Volume (MWh)	15,557	21,299	(5,742)
Dover SunPark Volume (MWh)	2,035	2,053	(18)
Renewable Energy Credits Volume	305	309	(4)
Hedged Cost ($/MWh)	58.80	58.80	0
Unhedged Energy Cost ($/MWh)	$ 63	$ 73	$ (10)
Solar Energy Cost ($/MWh)	$ 83	$ 91	$ (8)
Energy Costs ($/MWh)	**$60.24**	**$63.33**	**($3.09)**
All-in Costs - Energy, Capacity and RECs ($/MWh)	**$85.03**	**$88.42**	**($3.39)**

B. Generation Summary:



Dover generated 7,198 MWh in the month. Net generation revenue was $1,698,577 vs. a budget of $788,783. This delta was mainly due to higher than budgeted market prices and lower than budgeted O&M costs.

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Generation Breakdown:

City of Dover's Wholesale Generation		
Net Generation Mwh		**7,197.54**
All In Generation Margin		
PJM Bill Energy	$	1,124,166.28
PJM Capacity	$	1,329,125.00
Black Start, Reactive Credit, DASR & EFORp	$	108,639.72
Gas Purchases	$	(370,721.00)
Oil Purchases	$	-
Transport / Cash Out	$	(52,999.88)
Gross Margin	**$**	**2,138,210.12**
Production Margin		
Generation Production Revenues (PJM)	$	1,124,166.28
Gas Purchases	$	(370,721.00)
Oil Purchases	$	-
Transport / Cash Out	$	(52,999.88)
Gross Production Margin	**$**	**700,445.40**

C. Emissions Summary:

Emissions Allowance Summary through July 31, 2013

CAIR EMISSION ALLOWANCE SUMMARY				
Date	**Action**	**SO_2 Allowances**	**NO_x Allowances[1]**	
			Seasonal	**Annual**
1/1/09	2008 Carryover	3,240	0	0
1/1/09	2009 Allocation	2,723	53	80
2/1/10	2010 Allocation	2,039	50	78
1/1/11	2011 Allocation	1,988	49	78
4/1/11	2011 Reallocation		2	4
1/11/12	2012 Allocation	1,988	51	80
10/4/2012	**2013 Allocation**	**1,988**	**49**	**76**
9/29/09	SO_2 Sales	(1,500)		
11/12/09	NO_x Ann. Sales			(45)
11/13/09	SO_2 Sales	(1,410)		
11/20/09	NO_x Seas. Sales		(25)	
12/31/09	2009 Emissions[2]	(1)	(6)	(13)
12/31/10	2010 Emissions	0	(54)	(54)
10/31/10	EPA Linearity Testing Req.		(68)	(68)
2011	2010 Deficit NO_x Purchases		53	22
Aug 2011	Revised 2010 ECMPS data		30	30
Nov 2011	NO_x Seas. Sales (DEMEC)		(1)	
12/31/11	2011 Emissions[2]	(1)	(32)	(36)
12/31/12	2012 Emissions[2]	(1)	(37)	(37)
Nov 2012	NO_x Seas. Sales (DEMEC)		(2)	
2/13/2013	NO_x Annual. Sales (DEMEC)			(3)
7/31/2013	**C.Y.T.D. 2013 Emissions**	**0**	**13**	**13**
REMAINING ALLOWANCES		**11,053**	**60**	**179**

On August 21, 2012, a three-judge panel of the U.S. District Court of Appeals (DCA) in Washington vacated EPA's Cross State Air Pollution Rule (CSAPR) which would have become effective on January 1, 2012. The DCA instructed EPA to continue administering the Clean Air Interstate Rule (CAIR). EPA has appealed this ruling to the U.S. Supreme Court, and the Court has agreed to review the DCA opinion. A ruling is not expected before June, 2014.

[1] Per CAIR, starting in 2009, NOx emissions are governed by a seasonal and annual program.
[2] Under CAIR, pre-CAIR SO2 allowances are retired at a rate of 2 allowances for each ton emitted. It is assumed that pre-CAIR allowances will be retired before CAIR allowances.

Market liquidity for CAIR allowances continues to be low, with few transactions occurring. The following table shows estimated values for Dover's banked allowances, based on broker bids & offers:

Mark-to-Market for CAIR Allowances (8/15/2013)			
Commodity	**$/Ton (Bid/Offer Avg.)**	**Tons**	**Extended Value**
SO_2 Allowances (2009 & earlier)	$ 1.38	5,089	$ 7,023
SO_2 Allowances (2010-13)	$0.68	5,964	4,055
NO_x Allowances - Seasonal	$21.50	60	1,290
NO_x Allowances - Annual	$40.00	179	7,160
TOTAL			**$19,528**

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 has elected 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.

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 (7/31/2013)							
1	2	3	4	5	6	7	8
CO_2 Allowance Vintage	CO_2 Allowances Sold YTD	CO_2 Allowances Available (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	(17,763)	19,548	92,712
2012	0	27,058	925	27,983	(15,265)	11,793	104,505
2013	0	15,032	514	15,546	(5,814)	8,798	**113,303**

The table shows that the "**Allocated CO_2 Allowances"** (column 5) are declining. After 2013, Dover will no longer receive allocations of RGGI allowances. The Cumulative Balance (column 8) – aka "Banked Allowances") can be utilized for generation in future years (including 2013). Once the banked allowances have been fully utilized, Dover will be required to purchase allowances through the periodic RGGI auctions or through over-the-counter markets. Assuming that Dover does not sell any banked allowances, it will be able to maintain a positive balance through 2016 – 2025, depending on actual annual energy production in 2012 and beyond.

On February 7, 2013, RGGI proposed changes to its Model Rule. The proposed changes have been included in previous monthly reports. With the release of the *Updated Model Rule*, the RGGI states now plan to revise their CO_2 Budget Trading Programs through their individual state-specific statutory and regulatory processes. Each RGGI state seeks to complete their state specific processes such that the proposed changes to the program would take effect on January 1, 2014. The State of Delaware has held two workgroup meetings (5/14/2013 & 6/18/2013) on the proposed rule. The Delaware Department of Natural Resources expects to publish a draft rule in the Delaware Register in the near future.

Dover could elect to sell all or a portion of its banked allowances now and re-acquire allowances at a later date; however TEA is currently of the opinion that Dover will be better off retaining its banked allowances for use during future compliance years.

The most recent RGGI auction occurred on June 7, 2013 and the auction cleared at $3.21/ton. The next auction will occur on September 4, 2013.

RGGI futures settlement prices posted on Intercontinental Exchange (ICE) on August 15, 2013 ranged from $2.98 to $3.00/ton, depending on vintage. **Based on the average ICE**

futures prices, the value of Dover's existing RGGI allowance bank (113,303 tons) is approximately $338,776.

Vintage	Balance (Tons)	Settlement Price ($/Ton)	Extended Value
2009	56,388	$3.48	$196,230
2010	16,776	$3.50	58,716
2011	19,548	$3.50	68,418
2012	11,793	$3.35	39,507
2013	14,612	$3.27	47,781
TOTAL	**119,117**		**$410,652**

Renewable Energy Certificates

Dover owns two photovoltaic systems totaling 15 kW, consisting of (a 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 SRECS. Through the end of June 2013, Dover has accumulated a total of 5,424 SRECS from these renewable energy resources.

The nearest viable market for Dover's SRECs is Pennsylvania. Pennsylvania's August 2013 SREC auction cleared separately for 2011, 2012 and 2013 vintage allowances. Clearing prices and Dover's SREC market value estimate are shown in the table below.

SREC Vintage	Auction Clearing Price	SREC Quantity	Market Value
2011	$4.01	1,190	$ 4,772
2012	$5.01	2,799	14,023
2013	$13.00	1,435	18,655
TOTAL		**5,424**	**$37,490**

With the exception discussed below, TEA continues to recommend to Dover to retain these allowances for compliance with its Renewable Portfolio Standard which DEMEC is working on. Once Dover has an approved RPS in place, it may be required to retire a portion of its current SREC balance for compliance in the 2012/13 future compliance year. Any remaining SRECs could be used for the 2013/14 compliance year.

SRECs in both Delaware and Pennsylvania expire without value after 3 years. Dover currently has 7 2010 Vintage SRECs which may expire in the near future. If Dover is not able to use these for compliance with its Renewable Portfolio Standard before they

expire, it may not make sense to sell such a small quantity of RECs (market value of around $30).

This will become more of a concern in 2014 because Dover began accumulating SRECs from the SunPark in July 2011. TEA stands ready to transfer, retire or sell SRECs upon receipt of instructions from Dover.

D. Operations Management Summary:

During the month of July, there were no reportable or lost time accidents or injuries. The facility has now gone 1,021 days without an OSHA recordable accident and 1,021 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued and there were no Near Miss incidents. In the month of July, Units 1 and 2 were dispatched once, Unit 3 was dispatched 6 times and Unit 11 was dispatched 4 times by PJM. Unit 1 was forced off line due to a boiler leak and Unit 11 tripped off line and had to be restarted once. Commissioning of the industrial waste water discharge system was completed.

Monthly Budget Variance – The actual expenses attributable to O&M of the two sites for the month of July were $313,260. The actual expenses are $493,134 or 61.15% under the approved budget of $806,394. The principal reason for the favorable variance was due to timing of expenses for plant general liability and environmental insurance. Additional contributions to the favorable variance were due to accruals for labor into June and lower than anticipated water and sewer costs for the month.

E. Risk Management Summary:

Forward power prices in PJM are lower than last month. The blended cost has decreased for all years.

The current projected cost of service is below:

Power Year	Hedge Ratio	Blended Cost ($/MWh)	Monthly Change ($/MWh)
2013-14	62%	$51.33	($0.28)
2014-15	38%	$46.41	($0.67)
2015-16	15%	$45.19	($0.62)

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II. Budget Report

Variance Report:

	Budget Jul-13	Actual Jul-13	Variance
Gross Load	**76,312**	**82,072**	**(5,760)**
Power Supply			
Hedged Energy	$3,452,702	$3,452,702	$0
PJM - Energy	$975,221	1,557,651	($582,430)
PJM - ARR, Transmission and Fees	$395,000	569,240	($174,240)
Dover SUN Park Energy	$169,439	$187,421	($17,983)
Dover SUN Park RECs	$25,000	$43,285	($18,285)
Management Fees	$83,000	$83,000	$0
Capacity UCAP Obligated Purchased	$1,388,224	$1,363,483	$24,741
Subtotal - Power Supply	**$6,488,585**	**$7,256,782**	**($768,197)**
Power Generation O&M			
Plant O&M	806,394.00	$493,134	313,260
Subtotal Generation O&M	**806,394.00**	**493,134.00**	**$313,260**
Power Generation Production Margin			
Economic and reliability dispatch	($230,472)	$ (1,124,166.28)	$893,695
Fixed Fuel and Transport Charges	$0	$ 423,720.88	($423,721)
Subtotal Generation Production Margin	**($230,472)**	**$ (700,445.40)**	**$469,974**
Power Generation Non-Production Revenue			
Generation Capacity Credit	($1,329,125)	$ (1,329,125.00)	$0
Emissions Allowance Sales	$0	$ -	$0
Black Start & Transmision Losses	($35,580)	$ (162,140)	$126,560
Subtotal - Non-Production Revenue	**($1,364,705)**	**($1,491,265)**	**$126,560**
SubTotal - All Generation	**(788,782.60)**	**($1,698,577)**	**$909,794**
Total - Utilities Cost	**$5,699,803**	**$5,558,206**	**$141,597**
Unit Costs			
Total - Power Supply	$85.03	$88.42	($3.39)
Total - Power Generation	($10.34)	($20.70)	$10.36
Final Cost of Service to City of Dover Ratepayers	$74.69	$67.72	$6.97

Variance Analysis:

Power Supply

- Dover consumed 5,760 MWh more than what was forecasted for the month.
- PJM energy costs were higher than expected and PJM's fees were higher than forecast. This was due to higher load and market prices. Hedged costs were as forecasted.
- The result of higher overall costs for more power was a net power supply cost of $88.42/MWh, $3.39/MWh higher than budget.
- For the month, the city realized an unfavorable variance of $768,197 for power supply vs. the monthly budget.
- Dover Sun Park generated 18 MWh more than forecast.

Generation

- Power generation had a favorable budget variance of $909,794.
- Plant O&M expenses had a favorable budget variance of $313,260 for the month.

III. Operations Management

NAES Corporation
Dover, Delaware

July 2013
Monthly Report



Improved Lighting in the Hot Water Boiler Room

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1.0 Environmental, Health, and Safety

2.0 Financial

3.0 Operations

4.0 Maintenance

5.0 CIP

6.0 General Plant Information

7.0 Summary of NAES Performance

1.0 Environmental, Health and Safety:

During the month of July, there were no restricted work days or lost time accidents. The facility has now gone two years, nine months and seventeen days (1,021 days) through July 31, 2013 without an OSHA Recordable Accident or a Lost Time reportable accident.

The Plant Safety training matrix has been updated for 2013 and is being tracked on a monthly basis for all employees. The training program includes the inclusion of the General Physics on-line training system as well as plant safety procedures and policies. Safety Procedures and associated quizzes are currently being updated. As they are completed, staff will retrain on each one to ensure they understand what changes have been made, if any, to the programs.

The plant received no Notice of Violations (NOVs) during the month. The July (June Discharge) DMR was submitted for the McKee Run site with no NPDES exceedences.

Work and shakedown on the Industrial Wastewater Project was completed. The facility is still waiting on system as-built drawings and worked with the City of Dover and Kent County to finalize reporting and monitoring requirements for billing and regulatory purposes. The system went "live" in July 2013 and the plant is now receiving water/sewer bills from the City of Dover.

On July 30, Tom Lilly, from the DNREC, conducted his annual compliance audit. He was supplied documentation supporting plant compliance with applicable regulations pertaining to the Title V Air Permits. A return site visit will occur so that Mr. Lilly may observe unit operations and to gather real time operating/emissions data.

Environmental, Health, and Safety Statistics		
	Month (July)	Fiscal Year to Date (7/1/13-6/30/14)
NOVs	0	0
Opacity Deviations	0	0
Environmental Deviations	0	0
OSHA Recordable	0	0
OSHA LTA's	0	0
First Aid cases	0	0
Restricted Workday Accident	0	0
Near Miss	0	0
Man Hours Worked	4,558.75	4,558.75
Date last OSHA Recordable		10/14/10
Date last Lost Time Accident		10/14/10
Days since last OSHA recordable		1,021
Days since last Lost Time Accident		1,021

Emissions (NO_x & SO_2) All data thru 7/31/13

NOx Summary – Ozone Season (May-Sep) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2010	0.7	2.2	88.7	3.3	94.7
2011	1.8	1.5	31.4	1.4	36.1
2012	1.2	1.0	35.8	1.0	33.1
2013	0.0	0.9	11.6	1.4	13.9
NOx Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2010	0.7	2.2	88.7	3.3	94.7
2011	1.8	1.5	32.6	2.9	38.8
2012	1.2	1.1	35.8	1.0	36.9
2013	0.0	0.9	11.7	1.4	14.0
SO_2 Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2010	0.0	0.0	0.3	0.0	0.3
2011	0.0	0.0	0.1	0.5	0.6
2012	0.0	0.0	0.0	0.1	0.1
2013	0.0	0.0	0.0	0.0	0.0

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***		
2010 and earlier	0	4815	276	0	5089
2011	0	1850	138	1	1988*
2012	0	1850	138	1	1988*
2013	0	1850	138	0	1988*
			Total SO2 Allowance Balance		**11,053**
Note – Emissions allowances are deducted according to oldest vintage first, unless otherwise directed.					

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)**	**CAIR NOx Allowances Purchased YTD**	**NOx Allowance Balance**	
		McKee Run (Yr/Season)	***VanSant (Yr/Season)***	**McKee Run - VanSant**		***McKee Run (Yr/Season)***	***VanSant (Yr/Season)***
2010 and earlier	3***					27/0	0/2
2011	0	77/48	5/3	33/31– 3/1	0/0 - 0/0	42/10	2/2
2012	2**	75/46	5/3	36/36 – 1/1	0/0 - 0/0	39/10	2/0
2013	0	77/48	5/3	12/12 – 1/1	0/0 - 0/0	63/34	4/2
				Total NOx Allowance Balance		**171/54**	**8/6**
***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- The facility transferred Annual allowances to a third party**							

CO2 Allowances Summary					
CO2 Allowance Vintage	**CO2 Allowances Sold YTD**	**CO2 Allowances Available (Per Facility, Prior to Sale)**		**Total CO2 Tons Emitted**	**CO2 Allowance Balance**
		McKee Run	***VanSant***		
2009	0	60,128	2,056	5,796	56,388
2010	0	48,102	1,645	32,971	16,776
2011	0	36,077	1,234	17,763	19,548
2012	0	27,058	925	15,265	11,793
2013	0	15,032	514	5814	8798
			Total CO2 Allowance Balance		**113,303**
***Note: CO2 allowance values are provided by the RGGI CO2 Allowance Tracking System.**					

2.0 Financial

Financial – Current Month (Estimated)

Month – July			
	Actual	Budget	Variance
Personnel	185,284	250,345	$65,061
Materials & Supplies	29,746	50,385	$20,639
Administrative Expenses	98,230	505,664	$407,434
Total	**313,260**	**$806,394**	**$493,134**

Financial – Fiscal Year to Date (Estimated)

Number of Months – 1			
	Actual	Budget	Variance
Personnel	185,284	250,345	$65,061
Materials & Supplies	29,746	50,385	$20,639
Administrative Expenses	98,230	505,664	$407,434
Total	**313,260**	**$806,394**	**$493,134**

2.1 Variance analysis:

The City of Dover Finance Department has closed the books for the month of July 2013. The expenses for July are $313,260 against a budgeted amount of $806,394 for a favorable variance of $493,134 or 61.15%. The variance was due to the following:

PERSONNEL EXPENSES – A favorable monthly variance of $65,061 was to due to the accruals of one week payroll into 2013 and not having full complement of employees. Included in these costs are straight time labor, overtime labor, and labor burdens.

MATERIALS AND SUPPLIES EXPENSES- A favorable monthly variance of $20,639 was due primarily to lower than anticipated water / sewer costs for the month.

ADMINISTRATIVE EXPENSES – A favorable monthly variance of $407,434 was due primarily to the plant general liability and environmental insurance costs not being expensed in this month as anticipated. These costs will be expensed in August. In addition, invoices have not yet been received as expected for the ABB controls maintenance contract.

The forecasted expenses for this fiscal year are $6,015,800 expensed versus an approved budget of $6,015,800 thereby realizing a 100 % expenditure rate.

3.0 Operations

Unit Operations / Outages / Trips

In the month of July, Units 1 and 2 were dispatched once, Unit 3 was dispatched 6 times and Unit 11 was dispatched four times by PJM. Unit 1 had to take an eighty hour Forced Outage due to a tube leak and problems with the throttle valve. On July 15th, VanSant was requested on by PJM on the way up on load the unit tripped at 24MW due to flame detector issues.

Month July 2013							
		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	91.000	80.802	171.802	46.646	218.448
Starts	#	0	1	6	7	8	15
Gross Generation	MWh	0.0	489.597	6,517.113	7,006.710	738.459	7,745.169
Net Generation	MWh	0.0	447.067	6,028.496	6,475.563	737.891	7,213.454
Total Auxiliaries	MWh	0.0	42.530	676.017	718.547	2.264	720.811
Auxiliaries purchased	MWh	42.623	85.153	187.400	315.176	1.696	316.872
Fuel Gas Used	MMBTU	0.0	7,305.936	67,858.068	75,164.004	10,203.684	85,367.688
Fuel Oil Used	MMBTU	0.0	0.0	0.0	0.0	17.037	17.037
Fuel Oil Used	Gallons	0.0	0.0	0.0	0.0	123.10	123.10
Total Fuel	MMBTU	0.0	7,305.936	67,858.068	75,164.004	10,220.721	85,384.725
Net Heat Rate	BTU/KWh	0	16.340	11.256	12.798	13.851	11.836
Unit Trips	#	0	0	0	0	1	1
Capacity Factor	%	0.0	3.53	7.94	6.40	2.54	5.54
Availability Factor	%	89.25	100.00	100.00	92.42	100.00	97.31
Commercial Unavailability (CU)	%	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	80.000	0.0	0.0	80.000	0.0	80.000
Reserve Shutdown Hours	Hours	664.000	653.000	663.198	1,962.198	721.354	2,683.552
HW Boiler Gas Usage	MMBTU				0.0		0.0
Pilot Gas Usage	MMBTU	434.605	2,245.107		2,679.712		2,679.712

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

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2013-2014 Fiscal Year-to-Date - July							
		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	91.000	80.802	171.802	46.646	218.448
Starts	#	0	1	6	7	8	15
Gross Generation	MWh	0.0	489.597	6,517.113	7,006.710	738.459	7,745.169
Net Generation	MWh	0.0	447.067	6,028.496	6,475.563	737.891	7,213.454
Total Auxiliaries	MWh	0.0	42.530	676.017	718.547	2.264	720.811
Auxiliaries purchased	MWh	42.623	85.153	187.400	315.176	1.696	316.872
Fuel Gas Used	MMBTU	0.0	7,305.936	67,858.068	75,164.004	10,203.684	85,367.688
Fuel Oil Used	MMBTU	0.0	0.0	0.0	0.0	17.037	17.037
Fuel Oil Used	Gallons	0.0	0.0	0.0	0.0	123.10	123.10
Total Fuel	MMBTU	0.0	7,305.936	67,858.068	75,164.004	10,220.721	85,384.725
Net Heat Rate	BTU/KWh	0	16.340	11.256	12.798	13.851	11.836
Unit Trips	#	0	0	0	0	1	1
Capacity Factor	%	0.0	3.53	7.94	6.40	2.54	5.54
Availability Factor	%	89.25	100.00	100.00	92.42	100.00	97.31
Commercial Unavailability (CU)	%	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	80.000	0.0	0.0	80.000	0.0	80.000
Reserve Shutdown Hours	Hours	664.000	653.000	663.198	1,962.198	721.354	2,683.552
HW Boiler Gas Usage	MMBTU				0.0		0.0
Pilot Gas Usage	MMBTU	434.605	2,245.107		2,679.712		2,679.712

Fuel Oil Inventory							
	Monthly Inventory (Start)	Monthly Inventory (End)	Fuel Purchases (Month)	Monthly Inventory (Change)	FY 12-13 Inventory (Start)	Fuel Purchases (YTD)	FY 12-13 Inventory (Change)
McKee Run (#2 Fuel Oil)	453,844	454,725	0	881	454,725	0	0
VanSant (#2 Fuel Oil)	146,133	145,964	0	(169)	152,150	0	(6186)

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

VanSant Lifetime through 7/31//13			
	Actual Starts	Factored Starts	Fired Hours
VanSant	1318	2,256.75	4,245.70
Since HGP - Dec 2004	237	589.05	862.12

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 help in maintaining the plant.
Work continued on painting the fuel lines now that most of the insulation has been removed from the pipeline.

Capacity Testing – FY 2013-2014					
Summer 2013 (June 1- Aug 31)			**Winter 2013-2014 (Dec 1- Feb 28)**		
Unit	Rated Net Capability (MW)	Reported Net Capability (MW)	Unit	Rated Net Capability (MW)	Reported Net Capability (MW)
1	17	0.0	1	17	0.0
2	17	0.0	2	17	0.0
3	102	0.0	3	102	0.0
VanSant	39	0.0	11	39	0.0
Total	175	0.0	Total	175	0.0

Note: * Denotes Unit is qualified for the PJM Winter Demonstration Period Exemption Program and data has been submitted into the PJM eGADS

4.0 Maintenance

During the month of July, the Plant Maintenance staff continued addressing the backlog of work orders and completing outage activities. There were fifty-seven work orders issued with seventy-four work orders being completed during the month. There were no 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

July - 2013

Priority #	Outstanding From Previous Month	Issued This Month	Completed This Month	Outstanding at the end of the month
1	15	2	7	10
2	53	12	27	38
3	37	5	3	39
4	6	0	0	6
5	14	5	1	18
SW1	0	0	0	0
SW2	0	0	0	0
SW3	0	0	0	0
SW4	0	0	0	0
SW5	0	0	0	0
PM	54	33	36	51
Totals	179	57	74	162

Note: PM Work Orders are included in the priority totals

Notable activities during the month include:

- The NAES IC&E & Maintenance Staff completed the removal and replacement of the air conditioner in the CEMS building shelter. The air conditioner was replaced because it failed and it was not cost effective to repair the unit. The new is more efficient and has environmentally friendly Freon installed in the unit.

- The NAES Maintenance Staff, Sulzer Turbine Services and Siemens troubleshot Unit 1 turbine throttle valve when it was found that it would not open. The throttle valve was taken apart to examine the condition of the valve, but nothing was discovered. The team then disassembled the governor trip valve assembly and discovered a key lodged under the governor trip valve seat which prevented the valve from being reset. The key was from the throttle valve servo motor that had been broken off several years earlier that could not be found. The assembly was reinstalled and tested for proper operation.

- The NAES IC&E Staff installed new lighting in the Hot Water Boiler Room and the boiler fronts of Units 1 & 2. The new lighting is more efficient and gives off more limens. This will allow for improved lighting during night shift operational periods.

5.0 Capital Improvement Projects (CIP)

Project Number	Description	Update
EG1214	MR Industrial Waste water System	Progress: Mechanical and electrical installation work is complete. "As-built" drawings are to be submitted for finalization. Final permit was received from Kent County in late July. Schedule: Project to be entirely complete no later than August 2013.
EG1402	Unit #3 Cooling Tower Repairs	Progress: Bids have been received and are currently being evaluated. Schedule: Work planned to be completed in Fall 2013.
EG1404	McKee Run Auxiliary Component Replacement	Progress: Work is being planned and scheduled for the Fall and Spring outages. Schedule: Work activities are slightly behind due to unit operations.
EG1405	VanSant Station Component Replacement	Progress: Work scheduled for the Fall and Spring. Schedule: Planning activities are underway for Fall and Spring outages.
EG1406	McKee Run HEP Pipe Repairs	Progress: Work scope is being developed and work areas assessed for proper safety/fall protection. Schedule: Work to begin in Fall Outage period.
EG1407	Metering System Upgrades	Progress: Initial meeting set up with vendor to aid in system integration and to help determine best system for COD. Schedule: Work activities are slightly behind due to unit operations.
EG1408	McKee Run/VanSant Safety Compliance Items	Progress: Work scheduled for the Fall and Spring. Schedule: Work activities are slightly behind due to unit operations.
EG1409	McKee Run Natural Gas Block-Bleed Valves	Progress: Work scheduled for the Fall and Spring. Schedule: Work activities are slightly behind due to unit operations.
EG1410	McKee Run/VanSant Crane Replacement	Progress: Crane specifications being developed and will be put out for bid thereafter. Schedule: Work activities are slightly behind due to unit operations.
EG1413	McKee Run/VanSant Structural Preservation	Progress: Plant staff completed development of paint specifications and bid requests were sent out. . Schedule: Bids should be received in early September with work to be scheduled for late a late September start.

EG1414	Unit 3 Turbine Repairs	Progress: Plant staff continues working with OEM to determine long lead material requirements. Schedule: Long lead items were procured in the spring of 2013. Some turbine parts (turbine 9th stage blades) have been ordered and received. List of consumables is being finalized and quotes requested thereafter.
EG1415	McKee Run Units #1-#2 Component Repairs	Progress: Cost to be incurred due to repairs on Unit 1 boiler and turbine. Schedule: Work activities are slightly behind due to unit operations.
EG1416	VanSant Capacity Increase	Progress: Bid specifications are being developed and Environmental permit modifications are being investigated. Schedule: Plant Staff and TEA to develop scoping documents and proceed with getting regulatory approvals.

6.0 General Plant Information

- TEA has evaluated the findings of the McHale and Associates Report (Capacity upgrade opportunities for VanSant) and has imported the data into their financial model. From this, TEA developed a presentation that was presented at the March COD/TEA/NAES Management Meeting in which they recommended implementation of the Wet Compression Technology with an estimated cost of $1.5 million dollars. A number of action items were also identified that need to be followed up by NAES and by TEA including updating the project CIP costing and having a discussion with the DNREC regarding the effect the power increase could have on emissions. Included in the action item list was a breakdown of project costs and time frame when those costs would be expected to be expensed.

- Plant staff is working to fill two current openings due to personnel changes as a result of an employee resignation and an employee termination.

Training:

- Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. The monthly safety topic was on “Developing a Safety Culture”. Topics discussed during the monthly safety committee meeting were reviewed by the entire staff.

- Plant employees continue using the General Physics safety training and environmental courses to enhance their overall knowledge of permit and safety requirements. As the GPI courses are being completed, the employee reviews the standard operating procedure (SMP) for the same topic they are training on to review NAES policy as well

Calendar of Events	Date
PJM Summer Capacity Test Period	June 1, 2013 – August 31, 2013
Toxic Release Inventory (TRI) Annual Report	July 1, 2013
McKee Run and VanSant Title V Semi-Annual Certification Due	August 1, 2013
DRBC Study Due	September 15, 2013
NOx Ozone Season Ends	September 30, 2013
Units 1, 2, 3 and 11 Fall Outage	TBD
Three Year Accident Free	October 14, 2013
Winter Capacity Period	December 1, 2013 to February 28, 2014
EIA-860 Report	February 28, 2014
EIA-923 Report	February 28, 2014
NOx Emissions Reconciliation Due	March 1, 2014
SO2 Emissions Reconciliation Due	March 1, 2014
SARA III Report	March 1, 2014
NPDES Permit Renewal Due	March 4, 2014
Units 1, 2, and 3 Spring Outage	March , 2014 – June , 2014
Unit 11 Spring Outage	March , 2014 – June , 2014
Annual VanSant Black Start Test	March , 2014
Air Emission Inventory	March , 2014
NOx Ozone Season Starts	May 1, 2014

7.0 Summary of NAES Performance to Date

Measure	Plant Performance FY 2013-2014 Month		Year to Date		YTD Incentive	FY Maximum Incentive
Commercial Unavailability (CU)	0.09%		0.09%		$91,087	$93,022
Safety	0		0		$17,440	$17,440
Environmental	0		0		$17,440	$17,440
Capacity Tests Completed	Summer	Winter	Summer	Winter		
Unit 1	No	No	No	No	$0	$3,488
Unit 2	No	No	No	No	$0	$3,455
Unit 3	No	No	No	No	$0	$20,930
Unit 11	No	No	No	No	$0	$6,977
Total YTD Incentive %	76.28%		***Total YTD Incentive***		$126,667	$162,788

Note: No units have successfully completed the PJM Summer Capacity Tests and have until August 31 to complete. The YTD Incentive calculation reflects this information.

IV. Appendix – PJM Invoice Breakdown

	Gen	Load	Grand Total
Auction Revenue Rights		($26,877.93)	($26,877.93)
Balancing Operating Reserve	($34,269.88)	$28,835.21	($5,434.67)
Balancing Operating Reserve for Load Response		$10.16	$10.16
Balancing Spot Market Energy	$27,211.47	$92,484.98	$119,696.45
Balancing Transmission Congestion	$140.67	$791.28	$931.95
Balancing Transmission Losses	$2,255.22	$6,169.94	$8,425.16
Black Start Service		$2,412.06	$2,412.06
Capacity Resource Deficiency		($164.19)	($164.19)
Capacity Transfer Rights		($19,233.33)	($19,233.33)
CT Lost Opportunity Cost Allocation		($17.36)	($17.36)
Day-Ahead Load Response Charge Allocation		$347.39	$347.39
Day-ahead Operating Reserve	($12,248.16)	$7,877.51	($4,370.65)
Day-ahead Scheduling Reserve	($79,172.14)	$40,047.26	($39,124.88)
Day-ahead Spot Market Energy	($1,058,876.48)	$1,160,675.19	$101,798.71
Day-ahead Transmission Congestion	($14,430.95)	$20,913.87	$6,482.92
Day-ahead Transmission Losses	($33,948.17)	$199,845.54	$165,897.37
Expansion Cost Recovery		$427.49	$427.49
FERC Annual Recovery		$4,878.52	$4,878.52
Generation Deactivation Refund		($758.35)	($758.35)
Inadvertent Interchange		($1,131.08)	($1,131.08)
Incremental Capacity Transfer Rights		($1,761.11)	($1,761.11)
Load Reconciliation for Balancing Operating Reserve		$245.85	$245.85
Load Reconciliation for Day-ahead Scheduling Reserve		($35.33)	($35.33)
Load Reconciliation for FERC Annual Recovery		$168.24	$168.24
Load Reconciliation for Inadvertent Interchange		($11.01)	($11.01)
Load Reconciliation for Market Monitoring Unit (MMU) Funding		$10.82	$10.82
Load Reconciliation for Non-Synchronized Reserve		$4.77	$4.77
Load Reconciliation for North American Electric Reliability Corporation (NERC)		$28.28	$28.28
Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		$1.95	$1.95
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		$583.89	$583.89
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund		($16.68)	($16.68)
Load Reconciliation for Reactive Services		$7,927.04	$7,927.04
Load Reconciliation for Regulation and Frequency Response Service		$593.04	$593.04
Load Reconciliation for Reliability First Corporation (RFC)		$40.43	$40.43
Load Reconciliation for Schedule 9-6 - Advanced Second Control Center		$85.30	$85.30
Load Reconciliation for Spot Market Energy		$96,402.08	$96,402.08
Load Reconciliation for Synchronized Reserve		$173.11	$173.11
Load Reconciliation for Synchronous Condensing		$0.17	$0.17
Load Reconciliation for Transmission Congestion		($4,202.54)	($4,202.54)
Load Reconciliation for Transmission Losses		$1,734.22	$1,734.22
Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		$210.09	$210.09
Locational Reliability		$1,384,641.66	$1,384,641.66
Market Monitoring Unit (MMU) Funding		$345.70	$345.70
Meter Error Correction		($12,127.67)	($12,127.67)
Michigan - Ontario Interface Phase Angle Regulators		$210.22	$210.22
Network Integration Transmission Service		$342,169.01	$342,169.01
Non-Firm Point-to-Point Transmission Service		($566.30)	($566.30)
Non-Synchronized Reserve		$377.81	$377.81
North American Electric Reliability Corporation (NERC)		$819.89	$819.89
Organization of PJM States, Inc. (OPSI) Funding		$56.54	$56.54
PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center		$1,780.79	$1,780.79
PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.		$943.95	$943.95
PJM Scheduling, System Control and Dispatch Service - Control Area Administration		$13,872.98	$13,872.98
PJM Scheduling, System Control and Dispatch Service - Market Support		$3,389.28	$3,389.28
PJM Scheduling, System Control and Dispatch Service - Market Support Offset		($159.32)	($159.32)
PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration		$130.95	$130.95
PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.		($29.45)	($29.45)
PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration		($483.74)	($483.74)
PJM Scheduling, System Control and Dispatch Service Refund - Market Support		($117.33)	($117.33)
PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration		($5.68)	($5.68)
PJM Settlement, Inc.		$159.32	$159.32
Reactive Services		$105,146.64	$105,146.64
Reactive Supply and Voltage Control from Generation and Other Sources Service	($29,467.58)	$34,968.14	$5,500.56
Real-Time Load Response Charge Allocation		$457.57	$457.57
Regulation and Frequency Response Service		$33,659.24	$33,659.24
Reliability First Corporation (RFC)		$1,172.45	$1,172.45
RPM Auction	($1,329,125.00)		($1,329,125.00)
Synchronized Reserve		$1,952.79	$1,952.79
Synchronous Condensing		$ 417.14	$ 417.14
Transmission Enhancement		$4,883.03	$4,883.03
Transmission Losses		($53,500.44)	($53,500.44)
Transmission Owner Scheduling, System Control and Dispatch Service		$6,091.98	$6,091.98
Grand Total	**$ (2,561,931.00)**	**$3,490,373.92**	**$928,442.92**

City of Dover
Electric Revenue Fund
FY 2014 - White Oak Solar Park Incremental Cost

	July	YTD	Original Budget
Power Supply & Generation			
Dover Sun Park - Energy	$ 187,421	$ 187,421	$ 1,565,800
Dover Sun Park - REC's	-	-	300,000
Total Power Supply Cost	187,421	187,421	1,865,800
Non-Solar Power Supply Cost	(180,264)	(180,264)	(176,558)
Incremental Energy Cost	$ 7,157	$ 7,157	$ 1,689,242
Revenues			
Customer Sales - Electricity	(9,404)	(9,404)	(9,404)
Rent Receipts	(14,446)	(14,446)	(58,300)
Total Revenues	(23,850)	(23,850)	(67,704)
Incremental Sun Park Cost	$ (16,693)	$ (16,693)	$ 1,621,538
MWh Purchased/Generated - Solar	2,053.000	2,053.000	18,159.000
MWh $ Solar Energy	91.29	$ 91.29	$ 86.23
Solar REC's MWh	308.000	308.000	
MWh $ Solar REC (one month lag)*	$ -	$ -	

MWh $ Non-Solar Energy	$ 87.81

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