UTILITY COMMITTEE
A G E N D A

JANUARY 14, 2013 - 5:00 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. Request for Alley Abandonment (paper) - 971 and 975 Forest Street

2. TEA/NAES Report (October)

3. Update - Garrison Oak Technical Park Project

4. Adjournment by 5:25 P.M.

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

ACTION FORM

PROCEEDING: Utility Committee	**AGENDA ITEM**:
DEPARTMENT OF ORIGIN: Public Works	**DATE SUBMITTED**: 1/9/2013
PREPARED BY: Sharon J. Duca, P.E., Public Works Director / City Engineer	
SUBJECT: Request for Alley Abandonment (paper) to 971 and 975 Forest Street	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: City Manager	
EXHIBITS: Attachment A – Map	
EXPENDITURE REQUIRED: $ N/A	**AMOUNT BUDGETED**: $ N/A
FUNDING SOURCE (Dept./Page in CIP & Budget): N/A	
TIMETABLE: The references alley shall be abandoned upon approval by City Council.	
RECOMMENDED ACTION: Abandonment of the subject alley with conveyance to 971 and 975 Forest Street currently owned by Faithwork LLC.	

BACKGROUND AND ANALYSIS

The City Clerk's Office received a letter from Mr. Tolano D. Anderson, dated November 21, 2012, requesting that the unimproved alley located approximately 150 feet north of Forest Street from the intersection of Carver Road, be abandoned. Mr. Anderson states that the alley condition as well as an inability to safely utilize the space creates a significant hardship. Mr. Anderson also stated that he owns all real property abutting the alley and requests that the alley be conveyed to 971 and 975 Forest Street.

Public Works staff has confirmed that the alley is unimproved. No public utility easements will be required. Records indicate that all abutting parcels are owned by Faithwork LLC. In light of the information provided the Department of Public Works has no objection to the abandonment of the subject alley and recommends conveyance of the same to the parcels represented by 971 and 975 Forest Street. Conveyance shall be in proportions complimentary to the existing lot widths of these parcels.

It should be noted that 983 Forest Street appears to utilize the unimproved alley for access. As this parcel is also owned by Faithwork LLC, it is recommended that the owner establish cross access easements between 971, 975 and 983 Forest Street at the time of conveyance.

Alley Adjacent to 971 & 975 Forest Street
Proposed Alley Abandonment



0 45 90 180 Feet

N

Date Printed: January 7, 2013
File: m:\gis_data\projects/tech_mxds
\st_abandonment_map
Department: Public Works GIS
City of Dover, Delaware

Legend

- Overhead Electric Pole
- Underground Electric Lines
- Overhead Electric Lines
- Water Main
- Hydrant Line
- Hydrants
- Manholes
- Sewer Line
- Right of Way to be Abandoned
- Dover Parcels

RECEIVED
NOV 26 2012
OFFICE OF THE CITY CLERK

RECEIVED
NOV 26 2012
CITY OF DOVER
HUMAN RESOURCES DEPT.

November 21, 2012

City of Dover
Office of the City Clerk
15 W. Loockerman Street
Dover, DE 19903

Mrs. Traci McDowell,

Subject: Request for abandonment of unimproved alley

The City of Dover currently possesses an unimproved (paper) alley located approximately 150 feet North of the Route 8 intersection with Carver Road. The alley is directly adjacent (South) of the dwelling located at 20 Carver Road.

This alley is in a significant state of disrepair and becomes particularly hazardous during periods of inclement weather. The condition of the alley coupled with the inability to safely utilize the unimproved space presents a significant hardship.

I hereby request that the City of Dover abandon and release the unimproved alley identified above. I own all real property that abuts the aforementioned alley. Therefore, I am the only property owner that is impacted by this request. See attached map.

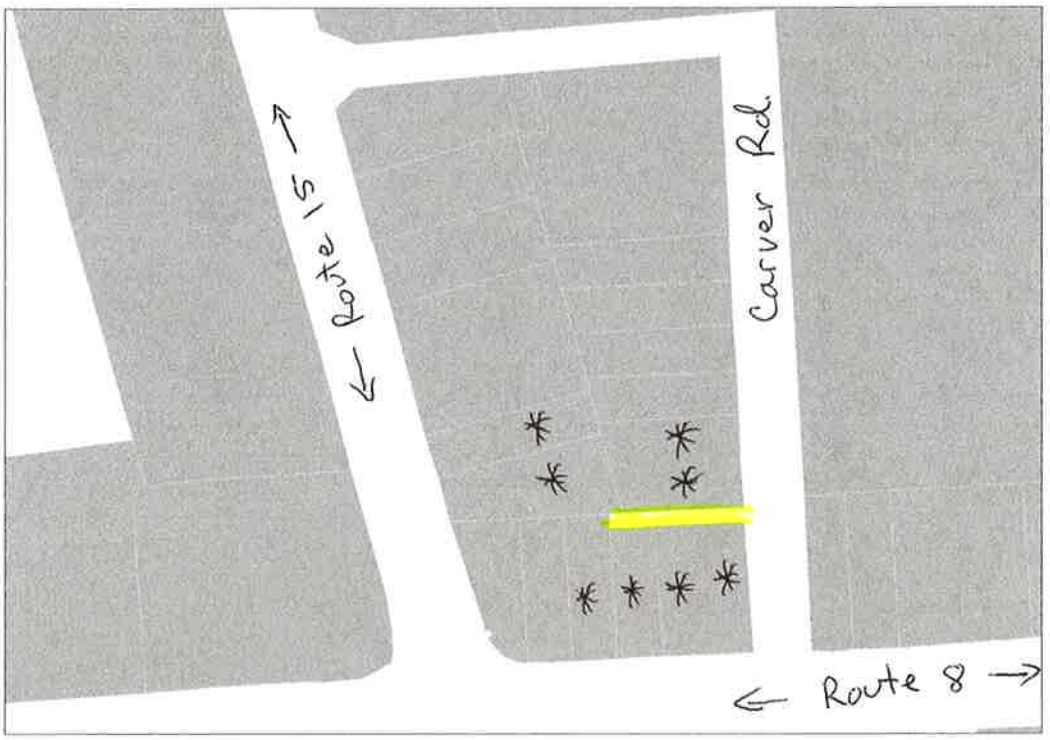
I appreciate your consideration in this matter. Please contact the undersigned if you have any questions.

Thank you

Tolano D. Anderson
302.535.3886

Kent County GIS Project

○ **Zoning History**
East Dover Hundred Parcels



SCALE 1 : 2,584

200 0 200 400 600
FEET

N

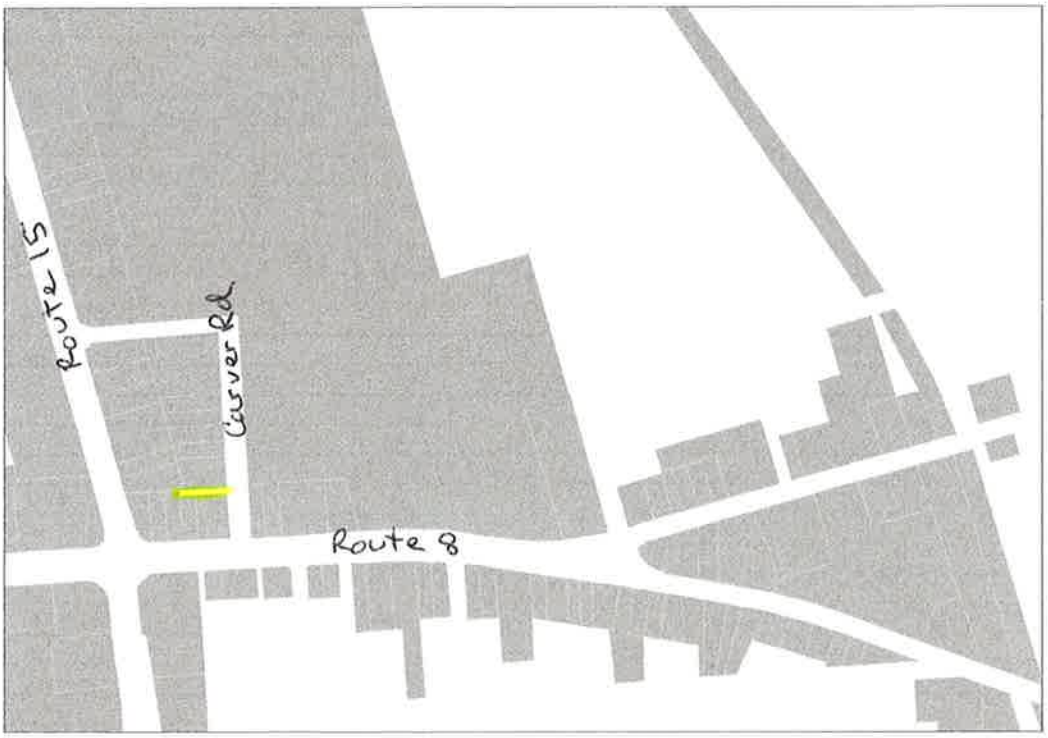
* - Denotes Property owned by the applicant.

- Marks Unimproved Alley

Kent County GIS Project

○ **Zoning History**

East Dover Hundred Parcels



SCALE 1 : 7,427

500 0 500 1,000 1,500

FEET

N

The Energy Authority, Inc.

Monthly Management Committee Update – October 2012

November 30, 2012

Prepared by:

Jamie Mahne
Vice President, Client Services
904.360.1374
jmahne@teainc.org

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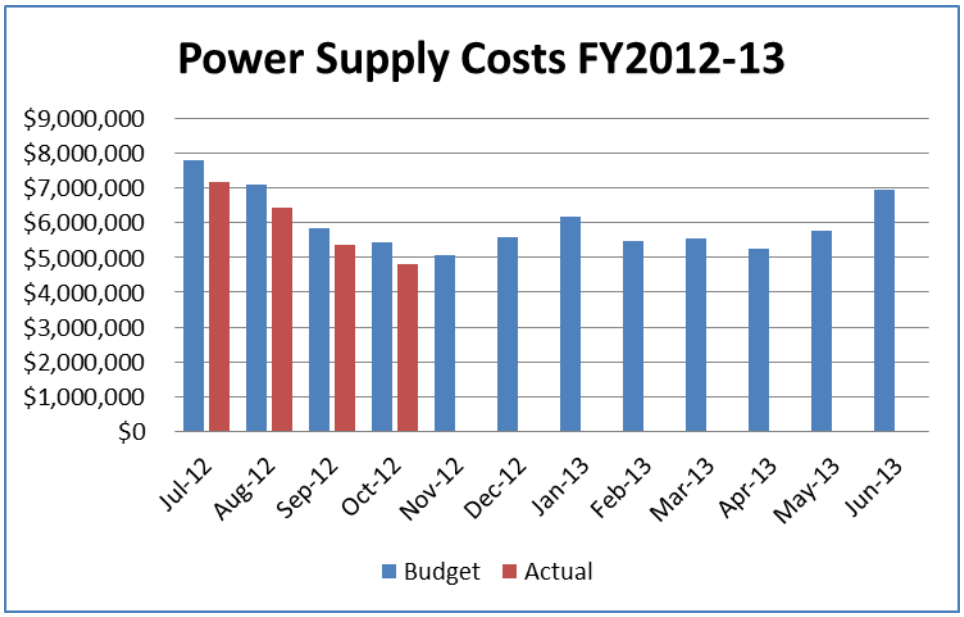
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I. Executive Summary

A. Power Supply Summary:



Overall Power Supply costs were $630,604 under budget due to lower PJM fees for RT Energy.

Dover's budgeted cost for all power supply (capacity AND energy) was $91.98/MWh. The actual cost of all power supply (capacity AND energy) was $84.68/MWh.

The cost of energy alone was $58.22/MWh, versus a budgeted energy cost of $67.85. The primary driver in the difference was the cost of unhedged energy. The city budgeted unhedged energy and PJM charges at $78/MWh. The actual cost of unhedged energy and PJM charges was $34/MWh – this decrease was due to lower PJM costs in the real time.

Dover's hedge purchases totaled 46,450MWh, which was 79% of the projected load and 82% of the actual load.

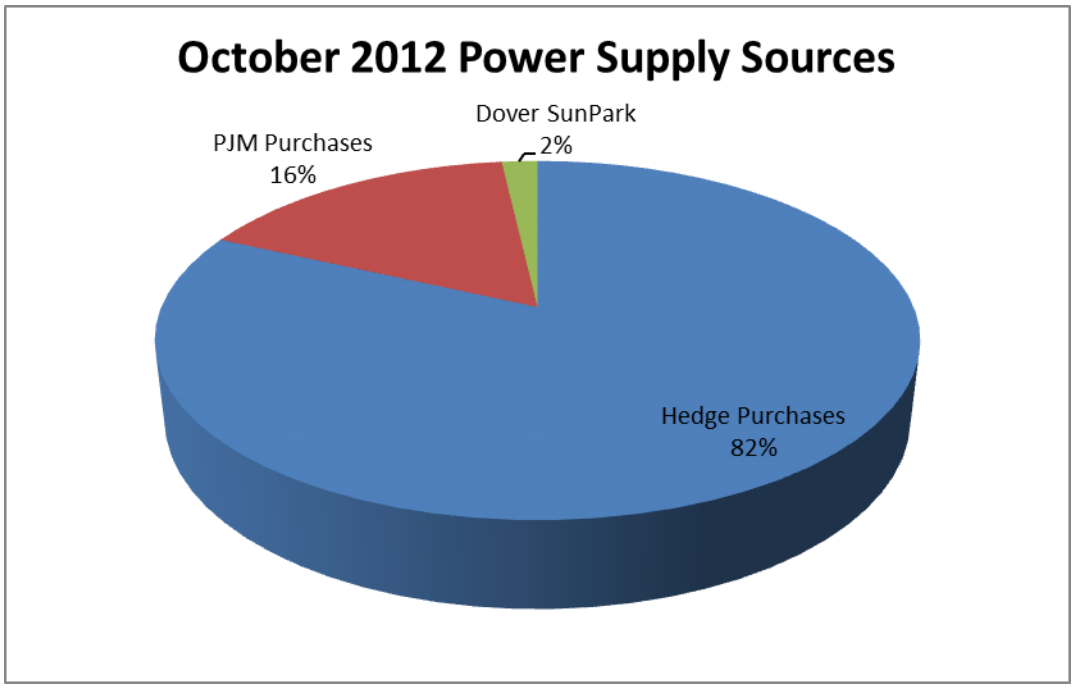
Dover's power purchases from hedge transactions totaled $2,897,450. Purchases from PJM (energy and fees) totaled $783,034, with DA Energy purchases totaling $583,266 and Balancing Spot Market Energy totaling a credit of $268,454.

Dover's total load was 56,736 MWh versus a forecasted load of 59,094 MWh.

Dover's planned energy purchase from the SunPark solar installation was 1,250MWh. Dover's actual energy purchase from the SunPark installation was 1,021 MWh.

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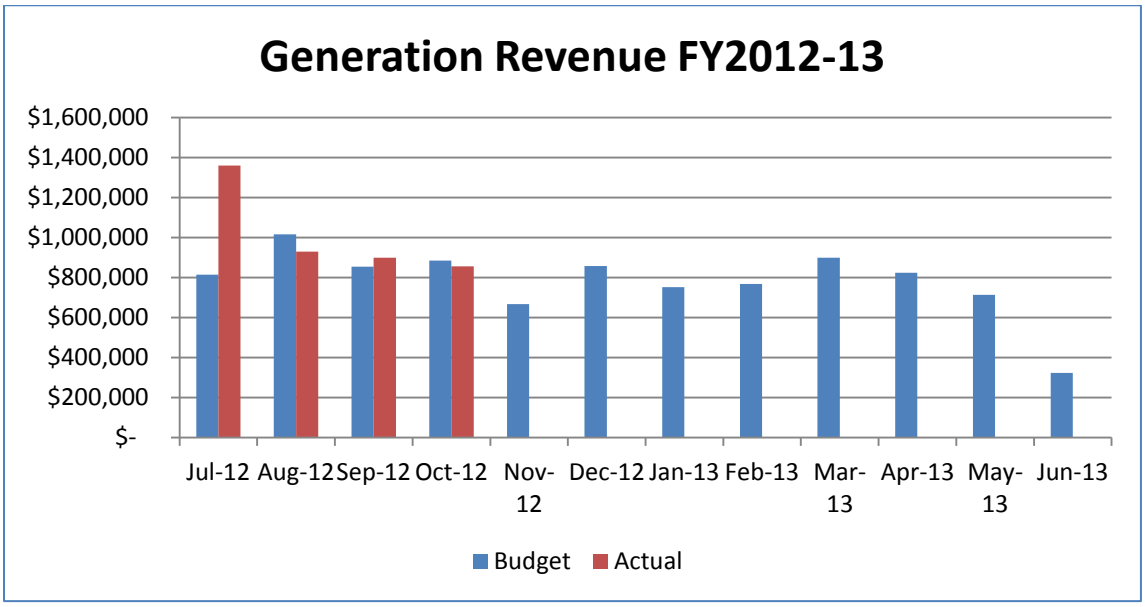
Supply Source Summary:



Supply Variance:

	Budget	Actual	Variance
Gross Load	59,094	56,736	2,358
Wholesale Load	57,844	55,715	2,129
Hedged Volume (MWh)	46,450	46,450	-
Unhedged Volume (MWh)	11,394	9,265	2,129
Dover SunPark Volume (MWh)	1,250	1,021	229
Renewable Energy Credits Volume	188	252	(65)
Hedged Cost ($/MWh)	$ 65	$ 62	0
Unhedged Energy Cost ($/MWh)	$ 78	$ 34	$ 44
Solar Energy Cost ($/MWh)	$ 83	$ 86	$ (3)
Energy Costs ($/MWh)	**$67.85**	**$58.22**	**$9.62**
All-in Costs - Energy, Capacity and RE	**$91.98**	**$84.68**	**$7.29**

B. Generation Summary:



Dover did not generate any electricity in the month. Net generation revenue was $856,293 vs. a budget of $884,459. 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		**0.00**
All In Generation Margin		
PJM Bill Energy	$	-
PJM Capacity	$	1,205,977.50
Black Start, Reactive Credit, DASR & EFORp	$	36,373.16
Gas Purchases	$	-
Oil Purchases	$	-
Transport / Cash Out	$	-
Gross Margin	**$**	**1,242,350.66**
Production Margin		
Generation Production Revenues (PJM)	$	-
Gas Purchases	$	-
Oil Purchases	$	-
Transport / Cash Out	$	-
Gross Production Margin	**$**	**-**
$/Mwh All In Generation Margin	**$**	**-**
$/Mwh Generation Production Margin	**$**	**-**

Fuel Purchases:

There were no fuel purchases in the month.

Transportation and Imbalance:

There were no fuel transportation charges in the month.

C. Emissions Summary:

Emissions Allowance Summary through October 31, 2012

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
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)
10/31/12	2012 Emissions[2]	(1)	(37)	(37)
TOTAL ALLOWANCES		9,065	65	118

On August 21, 2012, the U.S. District Court of Appeals (DCA) in Washington vacated EPA's "Transport Rule" (aka Cross State Air Pollution Rule or CSAPR) which would have become effect on January 1, 2012. Additionally, DCA said EPA must continue administering the Clean Air Interstate Rule (CAIR), CSAPR's predecessor, pending the issuance of a valid replacement rule. EPA submitted a petition for an en banc rehearing to the DCA on October 5, 2012 and is awaiting a ruling on the petition.

Market liquidity for CAIR allowances continues to be low, with few transactions occurring. The following table shows estimated values as of November 30, 2012, based on broker bids & offers:

[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.

Mark-to-Market for CAIR Allowances (9/24/2012)			
Commodity	**$/Ton**	**Tons**	**Extended Value**
SO_2 Allowances	$ 0.75	9,065	$ 6,799
NO_x Allowances - Seasonal	$27.50	65	1,787
NO_x Allowances - Annual	$40.00	118	4,720
TOTAL			**$13,306**

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 has 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 cumulative balance of unused RGGI allowances held by Dover were 92,712 tons as of the end of Calendar year 2011, as shown in the table below. During the months of June - October, 2012, Dover's generating units produced 15,265 tons of CO_2 emissions, thus reducing the amount available in the allowance bank.

CO2 Allowance Summary (10/31/2012)							
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[3]	-	15,546	120,836

[3] 2013 allocations have not been added to Dover's RGGI COATS account. These are listed for the purpose of showing the last expected allocation of RGGI allowances.

The table shows that the "**Allocated CO_2 Allowances"** (column 5) are declining; after 2013, Dover will no longer receive allocations of RGGI allowances. Actual CO_2 emissions (column 6) have varied from 5,796 tons in 2009 to 32,971 tons in 2010. The Cumulative Balance (column 8) – aka "Banked Allowances") can be utilized for generation in future years. 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.

RGGI auction and spot prices have remained in the $1.92 - $2.05/ton range. The most recent RGGI auction occurred on September 5, 2012 and the auction cleared at $1.93/ton. Based on this auction, the value of Dover's existing RGGI allowance bank (104,505 tons) is approximately $201,695 (excluding allocations for 2013 which have not yet been allocated).

RGGI's next auction is scheduled for December 5, 2012.

RGGI is currently conducting a program review pursuant to the original RGGI memorandum of understanding between participating states. As a result of these activities, coupled with declining allocations, TEA believes that there is a reasonable expectation that RGGI market prices could increase over the next few years.

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.

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. The output has been recorded on PJM's Generation Attribute Tracking System (GATS), resulting in a balance of 43 Solar Renewable Energy Certificates (SRECS).

Additionally, Dover 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 September, 2012, Dover has accumulated a total of 3,566 SRECS from this contract. These SRECS have also been recorded in Dover's GATS account.

Given the current SREC market structure, combined with the impact of the Sun Park and other facilities coming on-line in 2011, Dover's ability to remarket excess SRECs presents unique challenges. Market price for Delaware SRECs from the September 2012

auction was $40/MWh, resulting in a market value of $144,360 for Dover's 3,609 SRECs.

It should be noted, however, that the nearest viable market for Dover's SRECs is Pennsylvania which has market price mid-point of $20, half of the price from the most recent Delaware auction price.

TEA is recommending that Dover retain these allowances for compliance with its Renewable Portfolio Standard which we understand 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 October, there were no reportable or lost time accidents or injuries. The facility has now gone 748 days without an OSHA recordable accident and 748 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued. There were no Near Miss incidents. All Units were in Planned outages during the month.

Monthly Budget Variance - The actual expenses attributable to O&M of the two sites for the month of October were $386,058. The actual expenses are $28,959 or 8.11% over the approved budget of $357,099. The principal reasons for the unfavorable variance were due to higher electric, water and chemical usage, contractual services, and home office support needed due to the Admin Manager vacancy.

E. Risk Management Summary:

Forward power prices in PJM have risen slightly since last month resulting in a higher blended cost.

The current projected cost of service is below:

Power Year	Hedge Ratio	Blended Cost ($/MWh)
2012-13	80%	$61.56
2013-14	46%	$52.00
2014-15	27%	$48.32
2015-16	14%	$47.63

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II. Budget Report

Variance Report:

	Budget Oct-12	Actual Oct-12	Variance
Gross Load Forecast	**59,094**	**56,736**	**2,358**
Power Supply			
Hedged Energy	$3,013,494	$2,897,450	$116,044
PJM- Energy	$883,650	$314,812	$568,838
PJM - Transmission and Fees	$313,000	$468,221	($155,221)
Dover SUN Park Energy	$112,094	$90,971	$21,123
Management Fees	$83,000	$83,000	$0
Capacity UCAP Obligated Purchased	$1,029,954	$950,133	$79,821
Subtotal - Power Supply	**$5,435,192**	**$4,804,587**	**$630,604**
Power Generation O&M & Fixed Fuel			
Plant O&M	$357,099	$386,058	($28,959)
Subtotal Generation O&M	**$357,099**	**$386,058**	**($28,959)**
Power Generation Production Margin			
Economic and reliability dispatch	$0	$0	$0
Fixed Fuel and Transport Charges	$0	$0	$0
Subtotal Generation Production Margin	**$0**	**$0**	**$0**
Power Generation Non-Production Revenue			
Generation Capacity Credit	($1,205,978)	($1,205,978)	($1)
Emissions Allowance Sales	$0	$0	$0
Black Start & Reactive Power Revenue	($35,580)	($36,373)	$793
Subtotal - Non-Production Revenue	**($1,241,558)**	**($1,242,351)**	**$793**
SubTotal - All Generation	**($884,459)**	**($856,293)**	**($28,166)**
Total - Utilities Cost	**$4,550,733**	**$3,948,295**	**$602,438**
Unit Costs			
Total - Power Supply	$91.98	$84.68	$7.29
Total - Power Generation	($14.97)	($15.09)	$0.13
Final Cost of Service to City of Dover Ratepayers	$77.01	$69.59	$7.42

Variance Analysis:

Power Supply

- Dover consumed 2,358 MWh more than what was forecasted for the month.
- PJM costs were lower than expected, but PJM's fees were higher than forecast. The net result was a net power supply cost of $84.68/MWh, $7.29/MWh lower than budget.
- For the month, the city realized a favorable variance of $630,604 for power supply vs. the monthly budget.
- Dover Sun Park generated 228 MWh less than what was forecasted.

Generation

- Power generation had an unfavorable budget variance of $28,166.
- Plant O&M expenses had an unfavorable budget variance of $28,959 for the month.

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YTD Variance Report:

	Budget YTD	Actual YTD	Variance
Gross Load Forecast	**272,123**	**280,196**	**(8,073)**
Power Supply			
Hedged Energy	$14,718,667	$14,231,102	$487,565
PJM- Energy	$5,229,658	$2,174,061	$3,055,597
PJM - Transmission and Fees	$1,252,000	$2,642,628	($1,390,628)
Dover SUN Park Energy	$575,127	$594,880	($19,753)
Management Fees	$332,000	$332,000	$0
Capacity UCAP Obligated Purchased	$4,086,591	$3,769,839	$316,752
Subtotal - Power Supply	**$26,194,043**	**$23,744,511**	**$2,449,532**
Power Generation O&M & Fixed Fuel			
Plant O&M	$1,898,613	$1,864,068	$34,545
Subtotal Generation O&M	**$1,898,613**	**$1,864,068**	**$34,545**
Power Generation Production Margin			
Economic and reliability dispatch	($1,124,312)	($1,864,289)	$739,977
Fixed Fuel and Transport Charges	$586,004	$942,183	($356,179)
Subtotal Generation Production Margin	**($538,308)**	**($922,106)**	**$383,798**
Power Generation Non-Production Revenue			
Generation Capacity Credit	($4,785,009)	($4,785,007)	($2)
Emissions Allowance Sales	$0	$0	$0
Black Start & Reactive Power Revenue	($142,320)	($201,393)	$59,073
Subtotal - Non-Production Revenue	**($4,927,329)**	**($4,986,400)**	**$59,071**
SubTotal - All Generation	**($3,567,024)**	**($4,044,437)**	**$477,413**
Total - Utilities Cost	**$22,627,019**	**$19,700,074**	**$2,926,945**
Unit Costs			
Total - Power Supply	$96.02	$86.53	$9.49
Total - Power Generation	($13.30)	($14.41)	$1.11
Final Cost of Service to City of Dover Ratepayers	$82.72	$72.12	$10.60

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III. Operations Management

NAES Corporation
Dover, Delaware

October 2012
Monthly Report



Operator II, Mike Shane, is congratulated by Plant Manager, Vince Scire, for successfully achieving his PJM Gen Ops System Certification.

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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 October, there were no restricted work days or lost time accidents. The facility has now gone two years and eighteen days (748 days total) through October 31, 2012 without an OSHA Recordable Accident or a Lost Time reportable accident.

The September DMR was submitted for the McKee Run site with no NPDES exceedences.

The plant received no Notice of Violations (NOVs) during the month.

Work continues on the IWDP (wastewater) permit with Kent County. Quotes for Mechanical work have been requested and will be evaluated once received with contract award to follow thereafter.

Environmental, Health, and Safety Statistics		
	Month (October)	Fiscal Year to Date (7/1/12-9/30/12)
NOVs	0	0
Opacity Deviations	0	0
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	4,545.75	17,152.75
Date last OSHA Recordable		10/14/10
Date last Lost Time Accident		10/14/10
Days since last OSHA recordable		748
Days since last Lost Time Accident		748

Emissions (NOx & SO2) All data thru 10/31/12

NOx Summary – Ozone Season (May-Sep) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2009	0.9	0.7	4.2	0.6	6.4
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
NOx Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2009	0.9	0.7	10.1	0.6	12.3
2010	0.7	2.2	88.7	3.3	94.7
2011	1.8	1.5	32.6	2.9	38.8

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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*
***Note – Emissions allowances are deducted according to oldest vintage first or 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	0	15,546
Note: All CO2 allowance values are provided by the RGGI CO2 Allowance Tracking System.					

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	1					29/30	0/2
2011	0	77#/48#	5/3	33/31– 3/1	0/0 - 0/0	44#/17#	2/2
2012	0	75/48	5/3	36/36 – 1/1	0/0 - 0/0	39/12	4/2
***Note – Emissions allowances are deducted according to oldest vintage first or unless otherwise directed.**							

2.0 Financial

Financial – Current Month

Month – October			
	Actual	Budget	Variance
Personnel	231,087	239,870	8,783
Materials & Supplies	26,429	7,557	(18,872)
Administrative Expenses	128,542	109,672	(18,870)
Total	**$386,058**	**$357,099**	**($28,959)**

Financial – Fiscal Year to Date

Number of Months – 4			
	Actual	Budget	Variance
Personnel	921,631	966,946	45,315
Materials & Supplies	111,132	122,128	10,996
Administrative Expenses	831,305	809,539	(21,766)
Total	**1,864,068**	**1,898,613**	**$34,545**

2.1 Variance analysis:

The City of Dover Finance Department has closed the books for the month of October. The expenses for October are $386,058 against a budgeted amount of $357,099 for an unfavorable variance of $28,959 or ≈ 8.11%. The variance was due to the following:

PERSONNEL EXPENSES – A favorable monthly variance of $8,783 was to due to having vacant positions and lower overtime costs due to lack of unit operation in October due to the units being in outage.

MATERIALS AND SUPPLIES EXPENSES- An unfavorable monthly variance of $18,872 was due to higher than budgeted Water-Sewer and Water Treatment Chemicals expenses caused by higher than budgeted unit operations in September.

ADMINISTRATIVE EXPENSES – An unfavorable monthly variance of $18,870 was due to higher Electricity, Contractual Services, and Home Office Labor expenses than budgeted. Expenses in Contractual Services increased due to a reclassification of expenses for the Unit #3 DCS Computer and Software annual maintenance agreement. These costs were originally included in CIP EG1204. Home Office Labor costs were higher than budgeted due primarily to increased corporate HR support of the vacant positions and corporate safety support to conduct an onsite audit of the plant's safety programs.

The budget is currently forecasted to finish this fiscal year at $5,899,313 expensed versus a budget of $5,914,900 thereby realizing a 99.57% expenditure rate.

3.0 Operations

Unit Operations / Outages / Trips

On October 1, 2012 at 0700 hours, all four of the City of Dover units went into a planned fall outage. A number of maintenance activities were planned some of which have already been completed (see maintenance section) and some that will require Operations support.

Month October 2012							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	VanSant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	0.0	0.0	0.0	0.0	0.0	0.0
Starts	#	0	0	0	0	0	6
Gross Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Net Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Total Auxiliaries	MWh	21.729	21.729	118.987	162.445	2.687	165.132
Auxiliaries purchased	MWh	21.729	21.729	118.987	162.445	2.687	165.132
Fuel Gas Used	MMBTU	0.0	0.0	32,135.709	32,135.709	0.0	32,135.709
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	32,135.709	32,135.709	0.0	32,135.709
Net Heat Rate	BTU/KWh	0.0	0.0	11,826	11,826	0.0	11,826
Unit Trips	#	0	0	1	1	0	1
Capacity Factor	%	0.0	0.0	0.0	0.0	0.0	0.0
Availability Factor	%	0.94	0.94	0.94	0.94	0.94	0.94
Commercial Unavailability (CU)	%	0	0	0	0	0	0
Planned Outage Hours	Hours	737.000	737.000	737.000	2,211.000	737.000	2,948.000
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	7.00	7.00	7.00	21.000	7.00	28.000
HW Boiler Gas Usage	MMBTU				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.

2011-2012 Fiscal Year-to-Date October							
		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	92.782	71.970	285.597	450.349	22.066	472.415
Starts	#	2	2	26	30	4	34
Gross Generation	MWh	643.317	582.202	18,797.488	20,023.007	714.818	20,737.825
Net Generation	MWh	604.005	541.673	17,317.513	18,463.191	714.287	19,177.478
Total Auxiliaries	MWh	146.202	147.419	2,337.717	2,631.338	6.681	2,638.019
Auxiliaries purchased	MWh	106.89	106.89	857.742	1,072.522	6.15	1,077.672
Fuel Gas Used	MMBTU	9,072.980	8,108.898	199,166.724	216,348.602	8,429.434	224,778.036
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	9,072.980	8,108.898	199,166.724	216,348.602	8,542.001	224,890.603
Net Heat Rate	BTU/KWh	15,021	14,970	11.826	13,939	12,604	13,271
Unit Trips	#	0	0	1	1	0	1
Capacity Factor	%	0.40	0.36	2.35	1.86	0.28	1.67
Availability Factor	%	74.85	74.85	74.85	74.85	75.94	75.12
Commercial Unavailability (CU)	%	0	0	0	0	0	0
Planned Outage Hours	Hours	737	737	737	2211	737	2948
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	2,122.218	2,143.030	1,929.570	6,194.818	2,192.934	8,387.752
HW Boiler Gas Usage	MMBTU				0		0
Pilot Gas Usage	MMBTU	784	898.663		1,682.663		1,682.663

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)	455,169	454,725	0	(444)	454,725	0	444
VanSant (#2 Fuel Oil)	146,301	145,711	0	(590)	152,150	0	(6,439)

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

VanSant Lifetime through 10/31//12			
	Actual Starts	Factored Starts	Fired Hours
VanSant	1303	2230.45	4215.86
Since HGP - Dec 2004	229	566.05	832.28

Capacity Testing – FY 2012-2013					
Summer 2012 (June 1- Aug 31)			**Winter 2012-2013 (Dec 1- Mar 1)**		
Unit	Rated Net Capability (MW)	Reported Net Capability (MW)	Unit	Rated Net Capability (MW)	Reported Net Capability (MW)
1	17	17.0	1	17	*
2	17	17.3	2	17	*
3	102	102.7	3	102	*
VanSant	39	39.0	11	39	*
Total	175	176.0	Total	175	175
Note: * Denotes Unit is qualified for the PJM Winter Demonstration Period Exemption Program					

Team Report:

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

Plant employees continue 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 and score a minimum 80% on a quiz before they can complete the SMP.

4.0 Maintenance

During the month of October, the Plant Maintenance staff continued addressing the backlog of work orders and completing outage activities. There were thirty-eight work orders issued with seventy-nine 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

October - 2012

Priority #	Outstanding From Previous Month	Issued This Month	Completed This Month	Outstanding at the end of the month
1	15	3	7	11
2	33	7	11	29
3	51	2	8	45
4	5	0	0	5
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	65	26	52	39
Totals	184	38	79	143

Note: PMs are included in the priority totals

Notable activities during the month include:

1) The NAES Mechanical and IC&E staff started outage related work activities that will aid in critical unit equipment to safe and reliable condition also maintaining unit availability in the most cost effective manner. All work performed in accordance with safe work practices and without impact to the environment.
2) XL Insurance Boiler Inspector, Mr. Charles Newman, was on site to inspect all three units at McKee Run Generating Station. There were no issues to report concerning Units 2 and 3. One minor concern occurred with Unit 1 regarding a small amount of surface rust found in the steam drum. Plant staff is taking proactive measures to eliminate this occurrence in the future by making slight improvements to the unit's layup procedure.
3) Siemens Engineering Represetative, Mr. Dave Doneti, was onsite to assist with correcting the problem on the Unit 2 overspeed trip mechanism. In the discovery portion of the job, it was determined that the overspeed pin would not hit the trip arm. Siemens Engineering recommended milling down the flange face of the overspeed trip mechanism housing to achieve the proper clearance for the trip

arm. Machine work was completed at an offsite vendor shop and the overspeed trip mechanism was reassembled and tested for proper operation. Testing could be achieved with the unit not running and was found to be in correct working order. Start up of the unit and final testing of the overspeed trip will be completed when the unit is available for start up after all outage work has been completed.

- Maintenance staff investigated mechanical concerns with 3B FD fan inboard bearing overheating. Staff disassembled the coupling and bearing to inspect the condition of both. This inspection revealed that the bearing and the coupling had excessive wear. A new bearing was requisitioned from the warehouse and is being installed, in accordance with the manufacture specification. Local manufactures representative has been contacted and is working on getting the price, along with availability of the new coupling. New coupling has been placed on order and will be installed when received.

5.0 Capital Improvement Projects (CIP)

Project Number	Description	Update
EG1102	Units 1 & 2 Cooling Tower Repairs	Progress: The FY2013 work scope package being developed Schedule: Work scheduled to be completed in the 4th quarter
EG1202	Unit #3 Boiler Systems	Progress: Work scheduled for the Spring 2013 outage. Bid document being developed. Completion at 5%. Schedule: Bids to be obtained in 2nd quarter of 2012 and work to be completed in the spring 2013 outage.
EG1203	Unit 3 Auxiliary System Components	Progress: The FY2013 work scope package being developed. Schedule: Some work is being performed on the Unit 3 Condenser Drains and other work is scheduled to be complete in the spring outage.
EG1212	Unit 3 Turbine Repairs	Progress: Long lead material requirements being developed for bid. Work scope and specifications for generator work being finalized and should be sent out in early to mid November. Schedule: Long lead items were identified in the 2nd quarter and will be purchased in the 3rd and 4th quarters.
EG1304	Units 1 & 2 Components Repairs	Progress: The FY2013 work scope package being developed Schedule: Work to be completed during the spring outage
EG1306	Turbine Level Window modification	Progress: The FY2013 work scope package being developed Schedule: Work to be completed during the 2ndquarter of 2013.
EG1112	Unit 3 Air Heater Expansion Joint	Progress: Material has been purchased and delivered to the site at the beginning of the outage. Contract has been awarded for both expansion joint replacement and for Unit 3 Condenser Drain Tree replacement. Schedule: The work is schedule to be completed in November.
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 2nd quarter. Schedule: The scoping of work should be completed in the 3rd quarter with bids and revised installation costs identified. Actual repair work will be scheduled for 2014.
EG1310	Units 1&2 Stack Repairs	Progress: The FY2013 work scope package being developed. Schedule: Work to be completed during the spring outage or deferred until 2014.
EG1311	VanSant Capacity Increase	Progress: Valuation of the benefits of various technologies is underway. Final decision on moving forward with the project has

		still not been made. Schedule: Installation was scheduled for the 4th quarter but is dependent on favorable decision to move forward. At present time, this cannot expect to be completed until late 2013, at the earliest.
EG1312	Unit 3 Generator Repairs	Progress: Parts identification has started and installation bid package being developed. Expect to issue bids in the 2nd quarter. Schedule: Installation work to be completed in the 4th quarter.
EG1214	MR Industrial Waste water System	Progress: Mechanical design is complete and electrical design is approximately 95% complete and under review by plant staff. Quotes for Mechanical materials sent out to qualified bidders. Schedule: Installation work planned for the 2nd and 3rd quarter of FY.
EG1301	Unit 1 Gland Steam Seal Repair	Progress: Work has begun on inspection and repair of seal and bearing. Work is expected to be completed by mid-November with a system check of the unit to occur immediately afterwards. Schedule: Installation work planned for the fall outage.

6.0 General Plant Information

With the passing of Mr. Phil Kosek in September, the plant is actively recruiting to fill his vacant position as the Administrative Manager for the plant. In this effort, NAES Corporate staff has been supplying substantial support in both helping to fill the vacant position but also to perform and provide direction with the completion of many of the tasks that Mr. Kosek had performed at the plant.

The plant has brought on Patricia Braun as a temporary Administrative Assistant to help with administrative functions.

Brian Hoyt, Compliance Specialist, assumed the duties of maintaining the Safety Program. His title was changed to Compliance Manager at this time as well.

Training:

Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. The monthly safety topic was on “Winter Slip Protection” which provided important information on how to avoid injuries that typically might occur during the wintery season.

Calendar of Events	Date
Units 1, 2, 3 and 11 Fall Outage	October 1, 2012 – December 3, 2012
Two Year Accident Free	October 14, 2012
Winter Capacity Period	December 1, 2012 to February 28, 2013
McKee Run and VanSant Title V Annual Certification Due	February 1, 2013
Annual VanSant Black Start Test	TBD
EIA-860 Report	February 28, 2013
EIA-923 Report	February 28, 2013
NOx Emissions Reconciliation Due	March 1, 2013
SO2 Emissions Reconciliation Due	March 1, 2013
SARA III Report	March 1, 2013
NPDES Permit Renewal Due	March 4, 2013
Units 1, 2, and 3 Spring Outage	March , 2013 – June 1, 2013
Unit 11 Spring Outage	March , 2013 – June 1, 2013
Air Emission Inventory	June 30, 2012
NOx Ozone Season Starts	May 1, 2013
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

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%		$92,128	$92,128
Safety	0		0		$17,273	$17,273
Environmental	0		0		$17,273	$17,273
Capacity Tests Completed	Summer	Winter	Summer	Winter		
Unit 1	No	Yes*	Yes	Yes*	$3,455*	$3,455
Unit 2	No	Yes*	Yes	Yes*	$3,455*	$3,455
Unit 3	No	Yes*	Yes	Yes*	$20,520*	$20,520
Unit 11	No	Yes*	Yes	Yes*	$6,840*	$6,840
Total YTD Incentive %	100.00%		***Total YTD Incentive***		$161,224	$161,224

Note: Units 1 and 2 PJM Summer Capacity Tests have been successfully completed and would be 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		$ (1,117.24)	$ (1,117.24)
Balancing Operating Reserve		$ 19,156.25	$ 19,156.25
Balancing Spot Market Energy		$ (268,454.24)	$ (268,454.24)
Balancing Transmission Congestion		$ (2,980.89)	$ (2,980.89)
Balancing Transmission Losses		$ (255.24)	$ (255.24)
Black Start Service	$ (6,905.58)	$ 2,004.39	$ (4,901.19)
Capacity Resource Deficiency		$ (246.15)	$ (246.15)
Capacity Transfer Rights		$ (33,318.18)	$ (33,318.18)
Day-ahead Operating Reserve		$ 20,354.33	$ 20,354.33
Day-ahead Scheduling Reserve		$ 5.98	$ 5.98
Day-ahead Spot Market Energy		$ 583,266.65	$ 583,266.65
Day-ahead Transmission Congestion		$ (6,569.08)	$ (6,569.08)
Day-ahead Transmission Losses		$ 53,676.59	$ 53,676.59
Expansion Cost Recovery		$ 413.85	$ 413.85
FERC Annual Recovery		$ 3,905.66	$ 3,905.66
Generation Deactivation Refund		$ (744.31)	$ (744.31)
Inadvertent Interchange		$ 297.30	$ 297.30
Load Reconciliation for Balancing Operating Reserve		$ (8.14)	$ (8.14)
Load Reconciliation for FERC Annual		$ (15.42)	$ (15.42)
Load Reconciliation for Inadvertent		$ (1.19)	$ (1.19)
Load Reconciliation for Market Monitoring Unit (MMU) Funding		$ (1.01)	$ (1.01)
Load Reconciliation for North American Electric Reliability Corporation (NERC)		$ (2.42)	$ (2.42)
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		$ (46.23)	$ (46.23)
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		$ 2.06	$ 2.06
Load Reconciliation for Reactive Services		$ (157.80)	$ (157.80)
Load Reconciliation for Regulation and Frequency Response Service		$ (53.25)	$ (53.25)
Load Reconciliation for Reliability First Corporation (RFC)		$ (3.02)	$ (3.02)
Load Reconciliation for Schedule 9-6 - Advanced Second Control Center		$ (5.96)	$ (5.96)
Load Reconciliation for Spot Market		$ (8,258.16)	$ (8,258.16)
Load Reconciliation for Synchronized		$ (11.91)	$ (11.91)
Load Reconciliation for Transmission Congestion		$ (578.22)	$ (578.22)
Load Reconciliation for Transmission		$ (473.72)	$ (473.72)
Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		$ (16.63)	$ (16.63)

Locational Reliability		$ 984,734.28	$ 984,734.28
Market Monitoring Unit (MMU) Funding		$ 258.47	$ 258.47
Meter Error Correction		$ (3,228.30)	$ (3,228.30)
Network Integration Transmission Service		$ 295,467.82	$ 295,467.82
Non-Firm Point-to-Point Transmission		$ (357.03)	$ (357.03)
North American Electric Reliability Corporation (NERC)		$ 612.19	$ 612.19
Organization of PJM States, Inc. (OPSI) Funding		$ 39.10	$ 39.10
PJM Scheduling, System Control and Dispatch Service - Advanced Second		$ 1,236.75	$ 1,236.75
PJM Scheduling, System Control and Dispatch Service - Capacity		$ 948.91	$ 948.91
PJM Scheduling, System Control and Dispatch Service - Control Area		$ 9,591.21	$ 9,591.21
PJM Scheduling, System Control and Dispatch Service - Market Support		$ 2,169.85	$ 2,169.85
PJM Scheduling, System Control and Dispatch Service - Market Support Offset		$ (317.44)	$ (317.44)
PJM Scheduling, System Control and Dispatch Service - Regulation Market		$ 100.94	$ 100.94
PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.		$ (169.39)	$ (169.39)
PJM Scheduling, System Control and Dispatch Service Refund - Control Area		$ (1,676.68)	$ (1,676.68)
PJM Scheduling, System Control and Dispatch Service Refund - Market Support		$ (384.22)	$ (384.22)
PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration		$ (19.77)	$ (19.77)
PJM Settlement, Inc.		$ 317.44	$ 317.44
Reactive Services		$ 19,370.33	$ 19,370.33
Reactive Supply and Voltage Control from Generation and Other Sources Service	$ (29,467.58)	$ 32,254.77	$ 2,787.19
Regulation and Frequency Response		$ 21,770.69	$ 21,770.69
Reliability First Corporation (RFC)		$ 765.25	$ 765.25

RPM Auction	$ (1,205,977.50)		$ (1,205,977.50)
Synchronized Reserve		$ 8,135.66	$ 8,135.66
Synchronous Condensing		$ 207.93	$ 207.93
Transmission Enhancement		$ 18,945.11	$ 18,945.11
Transmission Losses		$ (23,241.03)	$ (23,241.03)
Transmission Owner Scheduling, System Control and Dispatch Service		$ 4,211.76	$ 4,211.76
Balancing Operating Reserve for Load		$ (24.72)	$ (24.72)
Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		$ (0.15)	$ (0.15)
Load Reconciliation for Day-ahead Scheduling Reserve		$ (4.76)	$ (4.76)
Emergency Load Response		$ 1,365.09	$ 1,365.09
Demand Resource and ILR Compliance		$ (472.77)	$ (472.77)
Day-Ahead Load Response Charge		$ 683.21	$ 683.21
Real-Time Load Response Charge		$ 721.12	$ 721.12
Incremental Capacity Transfer Rights		$ (1,036.95)	$ (1,036.95)
Michigan - Ontario Interface Phase Angle Regulators		$ 194.25	$ 194.25
Non-Synchronized Reserve		$ 232.94	$ 232.94
Grand Total	**$ (1,242,350.66)**	**$ 1,733,166.51**	**$ 490,815.85**