UTILITY COMMITTEE
A G E N D A

DECEMBER 10, 2012 - 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. Capital School District Impact Fee Transfer

2. Renewable Energy Portfolio Standards *(Due to Time Constraints, this Item Has Been Placed on the Council Agenda for the Meeting Being Held Later in the Evening)*

3. Quarterly Review of Utility Related Capital Investment Plan (CIP) (Electric and Water/Wastewater) *(Deferred by Committee on November 13, 2012 Due to Time Constraints)*

4. TEA/NAES Report *(August and September) (August Report Deferred by Committee on November 13, 2012 Due to Time Constraints)*

5. Updates
   A. Green Energy Funding and Programming
   B. National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit
   C. Garrison Oak Technical Park Project *(Deferred by Committee on November 13, 2012 Due to Time Constraints)*

6. 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: Public Works – Water/Wastewater	**DATE SUBMITTED**: 11/30/12
PREPARED BY: Sharon Duca, P.E., Public Works Director / City Engineer	
SUBJECT: Capital School District Impact Fee Transfer	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: City Manager	
EXHIBITS: Capital School District EDU Transference Request Letter	
EXPENDITURE REQUIRED: N/A	**AMOUNT BUDGETED**: N/A **FUNDING SOURCE**: N/A
TIMETABLE: Upon approval from Council, credits will be transferred.	
RECOMMENDED ACTION: Staff recommends the transference of thirteen (13) Equivalent Dwelling Unit (EDU) credits from 211 Delaware Avenue (Tax Parcel #ED05-068.17-03-66.00), 945 Forest Street (Tax Parcel #ED05-076.07-01-65.00) and 75 Carver Road (Tax Parcel #ED05-076.07-01-55.00) to the Capital School District Administration and Professional Development Center campus located at 194 / 198 Commerce Way (Tax Parcel #ED05-076.14-01-07.03).	

BACKGROUND AND ANALYSIS

The Capital School District recently constructed a new campus at 194 / 198 Commerce Way in Dover (Tax Parcel #ED05-076.14-01-07.03). Within the campus, the Office of Technology / Maintenance Facility building is located at 194 Commerce Way and the Administration and Professional Development Center building is located at 198 Commerce Way. Construction of these new facilities allowed for demolition of existing structures on the subject site as well as the prior maintenance building, administration building and trailers at 211 Delaware Avenue (Tax Parcel #ED05-068.17-03-66.00), 945 Forest Street (Tax Parcel #ED05-076.07-01-65.00) and 75 Carver Road (Tax Parcel #ED05-076.07-01-55.00), respectively. The Capital School District submitted a letter, dated November 9, 2012, requesting the transference of thirteen (13) EDU credits from the three (3) previously referenced off site locations to the new campus on Commerce Way.

Per the City of Dover Code of Ordinances, two (2) references are applicable to this request. The first code reference, located in Chapter 110, Article III – Water Service, Division 3 – Water Impact Fees, Section 110-208 (d), states “No EDUs shall be transferred from one property to another property, whether or not such properties are owned by the same person, without the approval of city council.” The second code reference, located in Chapter 110, Article IV – Wastewater Service, Division 3 – Wastewater Impact Fees, Section 110-283 (c), states “No EDUs shall be transferred from one property to another property, whether or not such properties are owned by the same person, without the approval of city council.”

City staff reviewed the request and found the information consistent with the calculations provided by the Department of Public Works on November 5, 2012. Staff finds the request reasonable and recommends the transference of the thirteen (13) EDU credits from 211 Delaware Avenue (Tax Parcel #ED05-068.17-03-66.00), 945 Forest Street (Tax Parcel #ED05-076.07-01-65.00) and 75 Carver Road (Tax Parcel #ED05-076.07-01-55.00) to the Capital School District Administration and Professional Development Center campus located at 194 / 198 Commerce Way (Tax Parcel #ED05-076.14-01-07.03). Any redevelopment and / or expansion at the three (3) locations generating the credits will be subject to all impact fees resulting from new EDUs assessed at that time.

Board of Education
Kay Dietz-Sass, President
Phillip Martino, Jr., Vice President
Dr. Raymond Paylor
Brian E. Lewis
Matthew J. Lindell

Superintendent of Schools
Michael D. Thomas, Ed.D.
Voice: (302) 857-4201
Fax: (302) 672-1715
Email: michael.thomas@capital.k12.de.us

CAPITAL SCHOOL DISTRICT
198 Commerce Way
Dover, DE 19904

Chief Financial Officer/
Business Manager
Sean Sokolowski
Voice: (302) 857-4205
Fax: (302) 672-1714
Email: sean.sokolowski@capital.k12.de.us

November 9, 2012

Ms. Sharon Duca, P.E.
Interim Public Works Director
P.O. Box 475
Dover, DE 19903

Dear Ms. Duca:

Please accept this letter as an official request to move the equivalent dwelling units (EDUs) from the demolished maintenance building at the Central Middle School campus and the demolished administrative trailers at the William Henry/Booker T Washington School campus to the new Professional Development Center/Offices at 198 Commerce Way, Dover, DE 19904. Below are tables showing the fixture counts for each of the structures prior to demolition:

Maintenance Building - 211 Delaware Avenue (2-05-06817-03-6600-00001)

Existing fixtures	Quantity	F.U.	Total F.U.
Washstand or Lavatory (Single Bowl)	4	1	4
Toilet	3	2	6
Mop Sink or Service Sink	1	1	1
Flush Urinal	3	1	3
Drinking Fountain	1	1	1
TOTAL			15

Assessment: 1+(15 F.U./6)= 3.5 = 4 **E.D.U Credit**

Administration Building - 945 Forest Street (2-05-07607-01-6500-00001)

Existing fixtures	Quantity	F.U.	Total F.U.
Sink (Double or Triple Bowl)	2	2	4
Washstand or Lavatory (Single Bowl)	4	1	4
Toilet	3	2	6
Mop Sink or Service Sink	1	1	1
Flush Urinal	1	1	1
TOTAL			16

Assessment: 1+(16 F.U./6)= 3.66 = 4 **E.D.U Credit**

Capital School district is an equal opportunity employer and does not discriminate or deny services on the basis of race, color, national origin, sex, handicap, and/or age. Upon request reasonable accommodations are available for qualified applicants with disabilities in all phases of application and employment process.

Trailers - 75 Carver Road

Existing fixtures	Quantity	F.U.	Total F.U.
Sink (Double or Triple Bowl)	3	2	6
Washstand or Lavatory (Single Bowl)	5	1	5
Toilet	6	2	12
TOTAL			23

Assessment: **1+(23 F.U./6)= 4.83 = 5 E.D.U Credit**

Below is a table showing the fixture count for the proposed Professional Development Center/Offices:

Professional Center - 198 Commerce Way

Existing fixtures	Quantity	F.U.	Total F.U.
Washstand or Lavatory (Single Bowl)	21	1	21
Toilet	16	2	32
Mop Sink or Service Sink	2	1	2
Flush Urinal	5	1	5
Domestic Dishwasher	2	2	4
Drinking Fountain	3	1	3
TOTAL			67

Assessment: **1+(67 F.U./6)= 12.16 = 13 E.D.U**

We sincerely appreciate your consideration in this matter.

Please contact me at (302) 857-4205 or at sean.sokolowski@capital.k12.de.us with any comments or questions.

Sincerely,

Sean Sokolowski
Business Manager
Capital School District

cc: Dr. Michael Thomas, Superintendent

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ACTION FORM

PROCEEDING: Legislative, Finance, and Administration Committee
DEPARTMENT OF ORIGIN: City Manager **DATE SUBMITTED**: 12/03/2012
PREPARED BY: Scott D. Koenig, P.E., City Manager
SUBJECT: Renewable Portfolio Standard Plan – Join with DEMEC Proposal
REFERENCE:
RELATED PROJECT: N/A
REVIEWED BY: City Manager and Controller
EXHIBITS: DEMEC Renewable Portfolio Standard Plan
EXPENDITURE REQUIRED: **N/A** **AMOUNT BUDGETED**: **N/A** **FUNDING SOURCE (Dept./Page in CIP & Budget)**: **N/A**
TIMETABLE: Immediate endorsement and implementation as required by law.
RECOMMENDED ACTION: Staff recommends Dover join the DEMEC Renewable Portfolio Standard Plan.

BACKGROUND AND ANALYSIS

The Renewable Portfolio Standard (RPS) is a state-mandated policy that obligates each retail seller of electricity to include in its resource portfolio annually increasing amounts of electricity from Qualifying Renewable Energy Resources through 2025 when it reaches the goal of 25% with at least 3% from solar renewable resources. Qualifying Renewable Energy Resources include solar electric, wind, ocean tidal, ocean thermal, fuel cells powered by renewable fuels, hydroelectric facilities with a maximum capacity of 30 megawatts (MW), sustainable biomass, anaerobic digestion, and landfill gas. Prior to 2010, municipal electric utilities were exempted from the RPS requirements. In 2010, the Delaware RPS was revised under S.S. 1 for S.B. 119 to require all utilities to participate, including municipal utilities, but it allowed municipal electric companies to exempt themselves provided they developed and implemented a comparable program to the Renewable Energy Portfolio Standards for its ratepayers beginning in the 2013 Compliance Year (6/1/2013 thru 5/31/2014). There is no clear standard for a "comparable plan" but the statute imposes an "alternative compensation payment" of $25 per megawatt-hour for non-compliance in the first year, increasing to $80 per megawatt-hour by the third year, which must be passed to consumers. For the 2013 planning year, Dover must purchase 10% of its calculated load from qualified renewable resources, including 0.6% from solar photovoltaic resources, to comply with the statute.

DEMEC's draft proposal encourages qualifying renewable energy resources, provides for a five year planning cycle, and annual and monthly compliance reconciliation for the DEMEC members. DEMEC also has entered into contracts with qualifying renewable resources that will ensure compliance for its members for five years, but only through planning year 2015 if Dover is a participant. Compliance based upon consumption will be complicated (*i.e.*, industrial customers with loads in excess of 1,500 kWh may apply for exemption (but they have to apply; it is not assumed), surplus solar capacity and facilities with Delaware-made equipment receive a multiplier, and compliance is suspended if costs increase by 3% (1% for solar)). DEMEC's proposal frees Dover from the process of submitting its own plan.

DEMEC provides full requirements service to its members, making compliance of this renewable portfolio standard an integral part of the services. Although Dover is a member of DEMEC, it does not have the same financial obligations as the other members. Consequently, it will be necessary for Dover to enter into additional

agreements with DEMEC concerning the scope of services, planning obligations, acquisition responsibility when DEMEC acquires a qualified renewable resources, and compensation to DEMEC for the term of the renewable resource contract. These and other terms will be negotiated in the months ahead. This Action Form is limited solely to the joint filing of a plan.

Dover evaluated whether to file a separate compliance plan or to join with DEMEC. On the assumption that the renewable portfolio standard will remain in effect and that the "circuit breaker" to protect against higher costs will remain in effect, conversations with The Energy Authority (TEA), DEMEC, and Mr. Kirk Betts, have led us to conclude that the City of Dover should join in DEMEC's proposed RPS Plan as outlined in the attached plan document.

D E M E C

Delaware Municipal Electric Corporation

PO Box 310, Smyrna, Delaware 19977 Phone 302 653-2733 Fax 302 653-2734

January 1, 2013

TO: Local Regulatory Authorities:

- City of Dover City Council
- City of Newark City Council
- City of Milford City Council
- Town of Middletown Town Council
- City of Seaford City Council
- City of Lewes Board of Public Works
- Town of Smyrna Town Council
- City of New Castle Municipal Services Commission
- Town of Clayton Town Council

Delaware General Assembly
Delaware Energy Office

FROM: Patrick E. McCullar, President & CEO, DEMEC

SUBJ: Municipal Electric Utilities Renewable Portfolio Standard Plan

DEMEC Background

The Delaware Municipal Electric Corporation (DEMEC) is a Public Power utility incorporated as a not-for-profit Delaware corporation in 1979; the members of DEMEC are the nine municipal electric distribution utilities in Delaware. DEMEC provides joint services to the members.

- DEMEC generates electricity from its portfolio of owned generation assets and purchases electricity from other generators through staggered short, medium, and long term power contracts to meet the requirements of its member municipal utilities.

- Eight of the nine member municipal utilities receive 100% of their requirements from DEMEC through long-term take-or-pay contracts and the City of Dover receives partial requirements service.

- DEMEC has been authorized by its nine member utilities to manage the compliance obligation created by the Municipal Electric Utilities Renewable Portfolio Standard Plan.

Delaware RPS Background

The Renewable Portfolio Standard ("RPS") is a State-mandated policy that obligates each retail seller of electricity to include in its resource portfolio annually increasing amounts of electricity from Qualifying

Proposed

Renewable Energy Resources through 2025 and beyond. The municipal electric utilities were exempted from the RPS requirements prior to 2010.

In 2010 DEMEC and its members responded to a request from Delaware Governor Jack Markell by voluntarily joining the Delaware RPS under S.S. 1 for S.B. 119. The bill provided, among other things:

- Increasing the RPS target to 25% by 2025 with at least 3.5% from solar sources.

- Allowed municipal electric companies to develop and implement a comparable program to the State Renewable Energy Portfolio Standard for its ratepayers beginning in the 2013 Compliance Year (6/1/2013-5/31/2014).

- Provided a method to freeze the RPS compliance obligations for utilities if costs exceed "circuit breakers" of 3% of retail sales for Renewable Energy Credits (RECs) and 1% for Solar Renewable Energy Credits (SRECs) in any year.

DEMEC Renewable Energy Commitments

In developing a comparable plan, DEMEC evaluated its accomplishments and commitments to date regarding investments in Renewable Energy. DEMEC has invested in the development of a portfolio of qualifying renewable energy resources to achieve the lowest possible compliance cost to protect its ratepayers from unreasonable and burdensome impacts on their cost of electricity. DEMEC's goal is to comply with the spirit of the Delaware RPS without creating a negative impact on the community ratepayers or the Delaware economy.

Non-Solar:

- DEMEC has committed to purchase all the renewable electricity and associated RECs from a new wind farm (Laurel Hill) in north-central Pennsylvania under a 25-year agreement. The facility is a 69-megawatt (MW) wind generation facility consisting of 30 Siemens wind turbines, each capable of generating 2.3 MW. Laurel Hill will be capable of generating enough electricity to power more than 20,000 homes.

- DEMEC was also the first to sign an agreement with Blue Water Wind to purchase offshore wind energy. DEMEC remains committed to support and purchase wind energy from off the coast of Delaware.

Solar:

DEMEC has participated in the development of qualifying solar energy systems in all of the following RPS Taskforce defined Tier sizes:

Solar Renewable Energy Tier Groups (State definition by size):
- Tier 1 = 0 to 20 kW – Typical Residential Rooftop
- Tier 2 = 20 to 200 kW – Typical Small Commercial
- Tier 3 = 200 kW to 2 MW – Typical Large Commercial and Industrial
- Tier 4 = 2MW and Up – Utility Scale

Tier 1 and Tier 2 – Green Energy Grants

- DEMEC has encouraged and supported residential and commercial renewable energy systems since June 1, 2006 though the Municipal Green Energy Grants Program.
- DEMEC has leveraged over $7 Million dollars of overall investment in renewable energy with $2.3

Proposed

Million dollars of grants.

- Currently, many of the owners of these projects have been stranded without an opportunity to participate in the State Auction process. DEMEC intends to help these stranded customers in our service territories by offering them long-term contracts for their SREC production.
- DEMEC plans to participate in the State SREC auction process in future years as our compliance obligation for solar RECs increases.

Tier 3 – Community Scale

- DEMEC has always maintained that each member community should have support in siting a renewable energy system in its borders for the benefit of the whole community. This makes possible participation in solar by low-income members of the communities who otherwise could not afford participation.
- Several DEMEC members (to date Newark, Smyrna, and Seaford) have expressed an interest in the development of these community systems. DEMEC intends to support community interest, low-income participation, and meet its RPS obligation concurrently by investing in these community systems.

Tier 4 – Utility Scale

DEMEC recognized early on that the legislative circuit breakers for photovoltaics would be hit and freeze the solar portion of the municipal RPS plan within a few years if the compliance cost was not carefully managed. In order to avoid hitting the legislative circuit breakers prematurely and to assure that we do not unreasonably increase the cost of electric service to municipal ratepayers, DEMEC chose to invest a significant portion of its RPS-dedicated funds in large-scale solar facilities. To prevent a negative impact on the Delaware economy from the cost of RPS compliance, DEMEC has committed capital to developing utility scale solar systems that create jobs and economic development for the State. The current DEMEC portfolio of Tier 4 Utility Scale Systems is:

- Dover Sun Park – 10 MW – (DEMEC purchases 15 % of all SRECs) went commercial 2Q 2010
- Milford Solar Farm – 13 MW – (DEMEC to purchase a majority of SRECs and all energy) planned commercial 12/2012

<u>DEMEC Comparable Plan Objectives</u>

DEMEC has set the following objectives as goals for its Municipal RPS Plan.

- Develop and implement a compliance plan that is comparable to the State-mandated plan for Delmarva Power and that encourages development of qualifying renewable energy resources in the State of Delaware in all State-defined tiers.
- Plan in 5 year increments. The parameters of the 5 year planning cycle will have the goals of achieving a comparable plan that: 1) Achieves the lowest cost compliance solutions to mitigate high renewable energy cost impacts for our community ratepayers and the State economy, 2) Encourages the development of renewable resources in our member communities 3) Maintains the high reliability of electric service in our community systems.
- DEMEC will review and rebalance its compliance schedule annually to assure cost impacts to our community ratepayers are reasonable and accurately match qualifying retail electricity sales with renewable energy resource procurement.

Proposed

Municipal Renewable Energy 5-Year Procurement Schedule		
Compliance Year - (beginning June 1st)	Minimum Cumulative Percentage from Eligible Energy Resources	Minimum Cumulative Percentage from Solar Photovoltaics*
2013	10.00%	0.60%
2014	11.50%	0.80%
2015	13.00%	1.00%
2016	14.50%	1.25%
2017	16.00%	1.50%
* Minimum Percentage from Eligible Energy Resources Includes the Minimum Percentage from Solar Photovoltaics.		

Proposed

City of Dover

Capital Investment Plan

Project Tracking Report

September 30, 2012

Points to Remember -

* Original Project Budget = Original Total Project Budget initially included in approved annual budget.
* Latest Project Budget = Revised Total Project Budget included in most recent approved annual budget or one of the following: bond resolution, revolving fund loan agreement, Council approved budget amendment, or City Manager approved amendment as per the Budget Amendment Procedure.
* Current Fiscal Year - Revised Fiscal Year Budget = Current Year approved project budgets plus carry forward balances of unspent budgets in the prior fiscal year. Project Carry Forward balances will be submitted to City Council for amendment in January 2010. Can also be amended with City Manager approval per the Budget Amendment Procedure.
* Water Quality, Inflow/Infiltration, Distribution Upgrades and New Development projects are budgeted as a blanket project and once individual projects are identified and estimated they are created using an allocation of the overall budgeted amount.
* Status and Comments provided by City Manager.
* For Finance purposes projects are considered completed when placed in service and **all** charges have been processed.

Current Year Budget Funding Sources	General	Community Transportation	Water & Wastewater	Electric	Total CIP
Budget Balance	$ 92,000	$ 298,800	$ 4,508,500	$ 234,700	$ 5,134,000
Budget Balance - Restricted MSA (non Public Safety)	132,200	-	-	-	132,200
Library Funding - FY11 Budget Balance	(127,000)	-	-	-	(127,000)
Federal and/or State Grants	1,746,000	-	-	-	1,746,000
Transfer from Library Foundation	71,000	-	-	-	71,000
Friends of the Library Donation	102,400	-	-	-	102,400
Kent County Library Contribution	250,000	-	-	-	250,000
Sale of Assets - Library	1,200,000	-	-	-	1,200,000
Debt Financing - Green Energy Components	648,500				648,500
Construction Loan	289,400	-	-	-	289,400
Community Transportation Fund - FY11 Balances	-	1,630,050	-	-	1,630,050
Debt Financing	4,000,000	-	4,000,000	-	8,000,000
Other State/Federal Grants	108,000	-	-	-	108,000
Police Grants	33,800	-	-	-	33,800
Transfer from Capital Reserves	-	-	-	550,000	550,000
Impact Fee Reserves	-	-	550,000	-	550,000
State Community Transportation Funds	-	700,000	-	-	700,000
Transfer Loan Proceeds to CT Fund - Street Program	-	1,606,700	-	-	1,606,700
Transfer from Operating Funds	613,400	-	2,900,000	3,500,000	7,013,400
Interest Income	-	-	25,000	40,700	65,700
Total Funding Sources (Unaudited)	$ 9,159,700	$ 4,235,550	$ 11,983,500	$ 4,325,400	$ 29,704,150

City of Dover
General Fund - Major CIP Projects
September, 2012

			TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR					
Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Yr. Budget	Revised Fiscal Yr. Budget	Fiscal YTD Expenses	% Budget Spent	Status	Comments
		FY2009											
LB0901	M/G/L	New Library Project	$ 18,200,000	$ 20,469,080	$ 17,230,752	$ 3,238,328	84.2%	$ 2,535,000	$ 4,180,300	$ 941,972	22.5%	In Process	Overall project 80% Complete on 7/31/12
ST1203		Dump Truck Refurbishment	30,000	24,000	20,354	3,646	84.8%	-	12,000	8,333	69.4%	In Process	
		FY12 MSA - Capital non-safety	-	132,200	-	132,200	200.0%	-	132,200	-	0.0%		Restricted MSA Funding
		Totals - FY09	$ 18,230,000	$ 20,625,280	$ 17,251,106	$ 3,374,174	83.6%	$ 2,535,000	$ 4,324,500	$ 950,305	22.0%		
		FY2013											
---		Vehicles & Equipment	$ 399,900	$ 399,900	$ 70,062	$ 329,838	17.5%	$ 399,900	$ 399,900	$ 70,062	17.5%		
---		Annual Fire Truck Payments	238,500	238,500	96,275	142,225	40.4%	238,500	238,500	96,275	40.4%		
Mayor		Security Cameras	33,000	33,000	-	33,000	0.0%	33,000	33,000	-	0.0%		
FC1302	B/L	City Hall Fire Suppression	288,000	288,000	-	288,000	0.0%	288,000	288,000	-	0.0%		Financed by PNC Loan - FY12
FC1303	G	City Hall Emergency Generator	93,000	93,000	-	93,000	0.0%	93,000	93,000	-	0.0%		DEMA Grant funded;
IT1301	G	Server & Backup Solution	57,000	57,000	-	57,000	0.0%	57,000	57,000	-	0.0%		$15K is DEMA grant funded;
PR1301		Dover Park- Roof Replacement	30,000	30,000	-	30,000	0.0%	30,000	30,000	-	0.0%		
ST1303	B/L	Salt Storage Facility-Schutte Park	50,000	50,000	-	50,000	0.0%	50,000	50,000	-	0.0%		Financed by PNC Loan - FY12
ST1304	B/L	Garrison Farm Improvements	1,924,000	1,924,000	-	1,924,000	0.0%	1,924,000	1,924,000	-	0.0%		Financing to be determined
PD1301	G	Police Elec Breaker Rplcmnt	33,800	33,800	-	33,800	0.0%	33,800	33,800	-	0.0%		Police Grant funded
PD1302	B/L	Police Micro Seal Parking Lots	25,300	25,300	-	25,300	0.0%	25,300	25,300	-	0.0%		Financed by PNC Loan - FY12
		Totals - FY12	$ 2,501,100	$ 2,501,100	$ -	$ 2,501,100	0.0%	$ 3,172,500	$ 3,172,500	$ 166,337	5.2%		
		Debt issuance cost - PNC/Other	56,000	56,000	-	56,000	0.0%	56,000	56,000	-	0.0%		
		Transfer to CT Fund - Streets	1,606,700	1,606,700	-	1,606,700	0.0%	1,606,700	1,606,700	-	0.0%		PNC Loan for FY12/FY13 Street Prog.
		Grand Totals	$ 22,393,800	$ 24,789,080	$ 17,251,106	$ 7,537,974	69.6%	$ 7,370,200	$ 9,159,700	$ 1,116,641	12.2%	12.2%	

Legend

M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
G = Grant funded project
B/L = To be financed through bonds or commercial loan; Projects will be completed through CT Fund, therefore the loan proceeds will be transferred from Capital Fund into the Community Transportation Fund;

City of Dover
Community Transportation & General Fund Street Funds - Major CIP Projects
September, 2012

		TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR						
Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Yr. Budget	Revised Fiscal Yr. Budget	Fiscal YTD Expenses	Budget Balance	% Budget Spent	Status	Comments
	FY 2002												
	North Street sidewalk	$ 80,400	$ 80,400	$ -	$ 80,400	0.0%	$ -	$ 80,400	$ -		0.0%		Waiting on DDP improvements
	Totals	$ 80,400	$ 80,400	$ -	$ 80,400	0.0%	$ -	$ 80,400	$ -		0.0%		
	FY 2009												
	Little League Park paving	$ 11,600	$ 11,600	$ -	$ 11,600	0.0%	$ -	$ 11,600	$ -	11,600	0.0%		Re-program for signage
	Totals	$ 11,600	$ 11,600	$ -	$ 11,600	0.0%	$ -	$ 11,600	$ -	$ 11,600	0.0%		
	FY 2007												
	E. Water Street Brick	$ 65,000	$ 65,000	$ -	$ 65,000	0.0%	$ -	$ 65,000	$ -		0.0%		Specialty contract needed.
	Totals	$ 65,000	$ 65,000	$ -	$ 65,000	0.0%	$ -	$ 65,000	$ -		0.0%		
	FY 2009												
M	Schutte Parking Lot	$ 21,950	$ 21,950	$ -	$ 21,950	0.0%	$ -	$ 21,950	$ -	21,950	0.0%		Deferred
	Totals	$ 21,950	$ 21,950	$ -	$ 21,950	0.0%	$ -	$ 21,950	$ -	$ 21,950	0.0%		
	FY2012												
M	North Street Roundabout	$ -	$ 500,000	$ -	$ 500,000	0.0%	$ -	$ 500,000	$ -		0.0%	35%	Site work initiated.
	Stoney Creek Lighting	-	40,000	-	40,000	100.0%	-	40,000	-		0.0%		
M	Lincoln Park Center	900,000	1,423,500	516,260	907,240	0.0%	-	911,100	3,932		0.4%	Started	
	Street & Alley Program	300,000	298,800	-	298,800	100.0%	-	298,800	-		0.0%		General Fund Appropriaitons
	Totals	$ 1,200,000	$ 2,262,300	$ 516,260	$ 1,746,040	22.8%	$ -	$ 1,749,900	$ 3,932	$ -	0.0%		
	FY2013												
	Unapplied CT Projects (placeholder)	$ 700,000	$ 700,000	$ -	$ 700,000	0.0%	$ 700,000	$ 700,000	$ -		0.0%		Future CT Agreements
	FY13 Concrete Program	60,000	60,000	-	60,000	0.0%	60,000	60,000	1,933		3.2%		Financed by PNC Loan - FY12
	FY12/FY13 Street & Alley Program	1,546,700	1,546,700	-	1,546,700	0.0%	1,546,700	1,546,700	-		0.0%		Financed by PNC Loan - FY12
		$ 2,306,700	$ 2,306,700	$ -	$ 2,306,700	0.0%	$ 2,306,700	$ 2,306,700	$ 1,933	$ -	0.1%		
	Grand Totals	$ 3,593,650	$ 4,655,950	$ 516,260	$ 4,139,690	11.1%	$ 2,306,700	$ 4,235,550	$ 5,865	$ 21,950	0.3%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
C = Project funded by combination of CT Funds and General Fund
B/L = To be financed through bonds or commercial loan;Projects will be completed through CT Fund, therefore the loan proceeds will be transferred from Capital Fund into the Community Transportation Fun

City of Dover
Water/Wastewater Improvement & Extension Fund - Major CIP Projects
September, 2012

			TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR					
Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Approved Fiscal Yr. Budget	Revised Fiscal Yr. Budget	Fiscal YTD Expenses	% Budget Spent	Status / % Complete	Comments
		FY 2008											
WD0804	M	1.0 MG Elevated Water Storage	$ 4,196,600	$ 2,590,000	$ 17,839	$ 2,572,161	0.7%	$ 2,000,000	$ 2,166,000	$ 4,914	0.2%	Started	Staff reviewing agreement docs
WD0805	M	Piney Point Well	398,800	665,000	7,284	657,716	1.1%	450,000	505,600	556	0.1%	Started	Staff reviewing RFP
		Totals - FY08	$ 4,595,400	$ 3,255,000	$ 25,123	$ 3,229,877	0.8%	$ 2,450,000	$ 2,671,600	$ 5,470	0.2%		
		FY2009											
WQ0907	SL/C	Rt. 13 Water Main	1,023,700	2,214,600	2,078,383	136,217	93.8%	-	192,600	20,056	10.4%	100.0%	Complete; Awating final charges
		FY2010											
WW1007	M/SL	Fox Hall Pump Station	427,900	358,900	273,226	85,674	76.1%	-	144,800	59,139	40.8%	98.0%	Final punchlist items outstanding
WW1010	I	Tar Ditch Interceptor Upgrade	518,230	495,400	5,143	490,257	1.0%	-	490,300		0.0%	Started	Easement request sent to residents
		Totals - FY10	$ 427,900	$ 358,900	$ 273,226	$ 85,674	76.1%	$ -	$ 635,100	$ 59,139	9.3%		
		FY2011											
WW1104	SL	Lepore Road P/S Replacement	350,000	402,000	17,850	384,150	4.4%	-	384,200	-	0.0%	Started	Contractor ordered Station;
		Totals - FY11	$ 350,000	$ 402,000	$ 17,850	$ 384,150	4.4%	$ -	$ 384,200	$ -	0.0%		
		FY2012											
WD1201		Pay-As-You-Go Water Station	30,200	30,200	-	30,200	0.0%	-	30,200	-	0.0%	Started	Specs being developed
WQ1202		WQI - New Street	-	113,960	26,600	87,360	0.2334	-	87,400	-	0.0%	Started	Project on hold - Design complete
WQ1203		WQI - Silver Lake	-	279,840	190,030	89,810	67.9%	-	90,800	1,032	1.1%	100.0%	Complete; Awaiting final charges
WW1201	M/SL	Inflow/Infiltration Removal **(1)**	1,000,000	971,900	55,075	916,825	5.7%	-	-	-	0.0%		See FY13 I & I Program; $916.800
WW1202	M	SCADA Equpment Upgrade	84,900	84,900	76,389	8,511	90.0%	29,300	29,300		0.0%	Started	Awaiting delivery of materials
WW1204	M	Baltray Pump Station Rplcmnt	125,000	125,000	20,581	104,419	16.5%	100,000	100,000		0.0%	Started	Project on hold - Bid specs ready
WW1205	M	Dover Brook Gardens Pump Station	65,000	65,000	12,194	52,806	18.8%	50,000	50,000	2,342	4.7%	Started	Project on hold - Bid specs ready
WW1206	M	Brandywine Pump Station Rplcmntq	402,000	402,000	33,582	368,418	8.4%	350,000	350,000		0.0%	Started	Project on hold - Bid specs ready
WW1207	M	McKee Pump Station Comm Rplcmt	55,000	55,000	7,431	47,569	13.5%	45,000	45,000		0.0%	Started	Project on hold - Bid specs ready
		Totals - FY12	$ 1,762,100	$ 2,127,800	$ 421,882	$ 1,705,918	99.2%	$ 574,300	$ 782,700	$ 3,374	0.4%		
		FY2013											
---		Vehicles & Equipment	$ 524,500	$ 524,500	$ -	$ 524,500	0.0%	$ 524,500	$ 524,500	$ -	0.0%	Started	All ordered or bid;
WW1301	M	Hazlettville Road Interceptor	770,000	770,000	-	770,000	0.0%	30,000	30,000	-	0.0%	Not started	Project on hold
WW1302	M	Lakeview Drive PS Replacement	502,000	502,000	-	502,000	0.0%	52,000	52,000	-	0.0%	Not started	Project on hold
WW1303	M	Westover Pump Station	768,800	768,800	-	768,800	0.0%	65,000	65,000	-	0.0%	Not started	Project on hold
WW1304	M	Garrison Farm Improvements	1,828,000	1,828,000	-	1,828,000	0.0%	1,828,000	1,828,000	-	0.0%	Started	Pending Council approval 9/24
WD1302	M	Garrison Farm Storage Tank	1,828,000	1,828,000	-	1,828,000	0.0%	1,828,000	1,828,000	-	0.0%	Started	Pending Council approval 9/24
WD1304		Future Columbia Well Design	55,000	55,000	-	55,000	0.0%	55,000	55,000	-	0.0%	Not started	Project on hold
WD1301	R	Wellhead Redevelopment	70,000	70,000	67,675	2,325	96.7%	70,000	70,000	67,675	0.0%	15.0%	Contractor finishing Well 10 & 14
WQ1301		North Street WMR	45,000	45,000	33,335.00	11,665	74.1%	45,000	45,000	33,335	0.0%		
N/A		Water Quality Improvements	479,000	479,000	-	479,000	0.0%	479,000	479,000	-	0.0%		Locations to be determined;
N/A		I & I Improvements **(1)**	1,000,000	27,000	-	27,000	0.0%	1,000,000	943,800	-	0.0%		Locations to be determined;
II1301		New/Reed Street	-	330,000	43,941			-	330,000	43,941	0.0%	65.0%	Contractor finishing New Street
II1302		Fox Hall	-	142,000	-			-	142,000	-	0.0%	Scheduled	
II1303		Morris Estates	-	276,000	-			-	276,000	-	0.0%	Scheduled	
II1304		Wesley College	-	10,000	7,200			-	10,000	7,200	72.0%	Scheduled	
II1305		NRG sanitary sewer upgrade	-	175,000	-			-	175,000	-	0.0%	Not started	Bids due 10/4/12
II1306		I & I Design	-	40,000	4,025			-	40,000	4,025	10.1%	In progess	Staff reviewing consultant report
WD1306	R	Emergency Generators	80,000	80,000	-	80,000	0.0%	80,000	80,000	-	0.0%	85.0%	Start on bid docs 10/1/12
			$ 7,950,300	$ 7,950,300	$ 156,176	$ 6,876,290	0.0%	$ 6,056,500	$ 6,973,300	$ 156,176	2.2%		
N/A		Debt issuance cost-Garrison Farm	344,000	344,000	-	344,000	0.0%	344,000	344,000	-	0.0%		
		Grand Totals	$ 16,453,400	$ 16,652,600	$ 2,972,639	$ 12,762,127	17.9%	$ 9,424,800	$ 11,983,500	$ 244,214	2.0%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
SL = State Loan Project - construction phase is financed
I = Impact Fee (partially) financed project

(1) Transferred remaining project balance from FY12 to the FY13 I & I Project $916,800
Adjusted Project Budget for FY13 will be $1,916,800 for I & I; Locations to be determined;

City of Dover
Electric Improvement & Extension Fund - Major CIP Projects
September, 2012

			TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR					
Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Yr. Budget	Revised Fiscal Yr. Budget	Fiscal YTD Expenses	% Budget Spent	Status	Comments
		FY2012											
EE1205	M	Frazier Substation Upgrade	$ 765,200	$ 765,200	$ 211,314	$ 553,886	27.6%	$ 610,200	$ 611,800	$ 57,955	9.5%	In process	Materials ordered
EG1202	M	Unit 3 Boiler Systems	390,000	250,000	84,409	165,591	33.8%	129,000	167,300	1,757	1.1%	In process	Will complete Spring outage;
EG1212	M	Unit 3 Turbine Inspection/Repair	1,494,000	1,494,000	403,190	1,090,810	27.0%	115,000	115,000	6,367	5.5%	In process	Will complete Spring outage;
EG1214	M	Industrial WW Discharge System	272,000	272,000	35,255	236,745	13.0%	-	242,000	4,910	2.0%	In process	
EU1202	M	Persimmon Tree Lane Feeder Rplcmt	113,500	113,500	111,828	1,672	98.5%	-	8,500	8,279	97.4%	In process	
EG1204		Unit 3DCS Comp & Softwre							-	3,075			
		Total	$ 3,034,700	$ 2,894,700	$ 845,996	$ 2,048,704	29.2%	$ 854,200	$ 1,144,600	$ 82,343	7.2%		
		FY2013											
N/A	R	Vehicles & Equipment	$ 146,000	$ 146,000	$ -	$ 146,000	0.0%	$ 146,000	$ 146,000	$ -	0.0%		All vehicles received
N/A	R	FY13 New Dvlpmnts - UG Transformers	50,000	(66,100)	-	(66,100)	0.0%	50,000	(66,100)	-	0.0%		Over Budget; Revenue offset;
EE1302		Bayard Plaza	-	21,000	-	21,000	0.0%	-	21,000	-	0.0%		
EE1310		YMCA	-	22,000	20,916	1,084	95.1%	-	22,000	20,916	95.1%		
EE1311		Super 8 Motel	-	5,200	5,136	64	98.8%		5,200	5,136	98.8%		
EE1315		State Street Plaza	-	5,800	-	5,800	0.0%	-	5,800		0.0%		
EE1317		The Grand Apartments	-	42,000	-	42,000	0.0%	-	42,000	-	0.0%		
EE1318		M & L Ventures Warehouses	-	12,500	-	12,500	0.0%	-	12,500	-	0.0%		
EE1322		Grottos Pizza	-	7,600	-	7,600	0.0%	-	7,600	-	0.0%		
EE1313	R	FY13 New Dvlpmnts - UG Conductors	350,000	37,800	4,882	32,918	12.9%	350,000	37,800	4,882	12.9%		
EE1301		Willow Tree Park	-	9,800	13,077	(3,277)	133.4%	-	9,800	13,077	133.4%		
EE1302		Bayard Plaza	-	9,000	22,154	(13,154)	246.2%	-	9,000	22,154	246.2%		
EE1311		Super 8 Motel	-	1,000	666	334	66.6%	-	1,000	666	66.6%		
EE1315		State Street Plaza	-	2,900	1,408	1,492	48.6%	-	2,900	1,408	48.6%		
EE1317		The Grand Apartments	-	23,500	63,338	(39,838)	269.5%	-	23,500	63,338	269.5%		
EE1318		M & L Ventures Warehouses	-	15,000	1,747	13,253	11.6%	-	15,000	1,747	11.6%		
EE1319		Proctor & Gamble	-	30,000	19,225	10,775	64.1%	-	30,000	19,225	64.1%		
EE1320		Generals Green Lights	-	7,200	-	7,200	0.0%	-	7,200	-	0.0%		
EE1322		Grottos Pizza	-	37,800	-	37,800	0.0%	-	37,800	-	0.0%		
EE1323		Dover High Lighting	-	176,000	-	176,000	0.0%	-	176,000	141,283	80.3%		
N/A	R	FY13 New Dvlpmnts - 1 Phase Meters	50,000	50,000	10,752	39,248	21.5%	50,000	50,000	10,752	21.5%		
EE1303		Frazier Sub Upgrade	-	-	3,500	(3,500)		-	-	3,500	0.0%		
EE1304	R	FY13 Lighting Project & Rehab	100,000	100,000	-	100,000	0.0%	100,000	100,000	-	0.0%		Route 13 LED Lighting
EE1309	R	Distribution Capacitors	125,000	125,000	-	125,000	0.0%	125,000	125,000	-	0.0%		
EE1307		Division Sub Fence	70,000	70,000	-	70,000	0.0%	70,000	70,000	-	0.0%		
EE1308	M	Horsepond Substation Upgrade	761,800	761,800	-	761,800	0.0%	170,000	170,000	-	0.0%		
EE1305	M	FY13 69kv Switch Rplmnt Program	135,000	135,000	-	135,000	0.0%	55,000	55,000	-	0.0%		
EE1306	R	Trans Line Maint Program	75,000	75,000	-	75,000	0.0%	75,000	75,000	-	0.0%		
EE1312	M	General Scott Switchgear	1,155,000	1,150,000	-	1,150,000	0.0%	50,000	50,000	-	0.0%		
N/A	R	FY13 Distribution Upgrades	400,000	12,000	-	12,000	0.0%	400,000	12,000	-	0.0%		
EE1314		Capitol Park Upgrade	-	308,000	-	308,000	0.0%	-	308,000	-	0.0%		
EE1321		Pleasanton Acres	-	80,000	-	80,000	0.0%	-	80,000	21,595	27.0%		
N/A	R	FY13 Distribution Feeder Rplcmts.	277,500	213,500	-	213,500	0.0%	277,500	213,500	-	0.0%		
EE1316		Wyoming Avenue Feeder Rplcmt	-	64,000	-	64,000	0.0%	-	64,000	3,443	5.4%		
EG1301		Units 1 Repair - Gasket leak	-	65,000	-	65,000	0.0%	-	65,000	-	0.0%		New Project; Not budgeted;
EG1304	R	Units 1 & 2 Component Repairs	52,000	52,000	2,060	49,940	4.0%	52,000	52,000	2,060	4.0%		
EG1305	R	Units 1 & 2 Cooling Tower Life Ext.	37,300	37,300	-	37,300	0.0%	37,300	37,300	-	0.0%		
EG1306		Turbine Level Window Modifications	85,000	85,000	-	85,000	0.0%	85,000	85,000	-	0.0%		
EG1307		Unit 3 Air Heater Expansion Joint	80,000	80,000	-	80,000	0.0%	80,000	80,000	-	0.0%		
EG1309		Unit 3 Stack Repairs	27,000	27,000	-	27,000	0.0%	27,000	27,000	-	0.0%		
EG1310		Units 1 & 2 Stack Repairs	75,000	75,000	-	75,000	0.0%	75,000	75,000	-	0.0%		
EG1311		Van Sant Capacity Increase	550,000	550,000	-	550,000	0.0%	550,000	550,000	-	0.0%		
EG1312		Unit 3 Generator Repairs	236,000	236,000	-	236,000	0.0%	236,000	236,000	-	0.0%		
EG1313	R	Unit 3 Aux Sys Components	55,000	55,000	-	55,000	0.0%	55,000	55,000	-	0.0%		
			$ 4,892,600	$ 4,952,600	$ 168,860	$ 4,728,740	3.4%	$ 3,115,800	$ 3,180,800	$ 335,182	10.5%		
		Grand Totals	$ 7,927,300	$ 7,847,300	$ 1,014,856	$ 6,777,444	75.6%	$ 3,970,000	$ 4,325,400	$ 417,525	9.7%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
B = Bonded Project
S = State fully or partially reimbursed project

The Energy Authority, Inc.

Monthly Management Committee Update – August 2012

September 27, 2012
Updated November 30, 2012

Prepared by:

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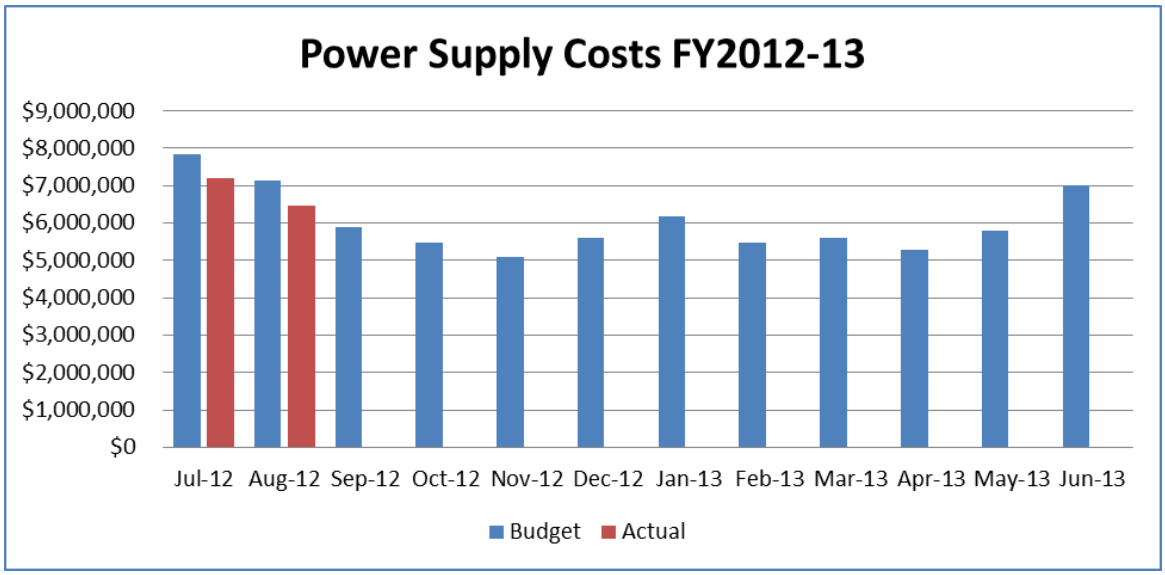
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I. Executive Summary

A. Power Supply Summary:



Overall Power Supply costs were $662,1333 under budget due mainly to lower than estimated PJM prices.

Dover's budgeted cost for all power supply (capacity AND energy) was $97.36/MWh. The actual cost of all power supply (capacity AND energy) was $82.38.

The cost of energy alone was $60.21/MWh, versus a budgeted energy cost of $77.77. The primary driver in the difference was the cost of unhedged energy. The city budgeted unhedged energy and PJM charges at $127/MWh. The actual cost of unhedged energy and PJM charges was $36/MWh – this decrease was due to lower PJM prices.

Dover's hedge purchases totaled 59,400MWh, which was 82% of the projected load and 76% of the actual load.

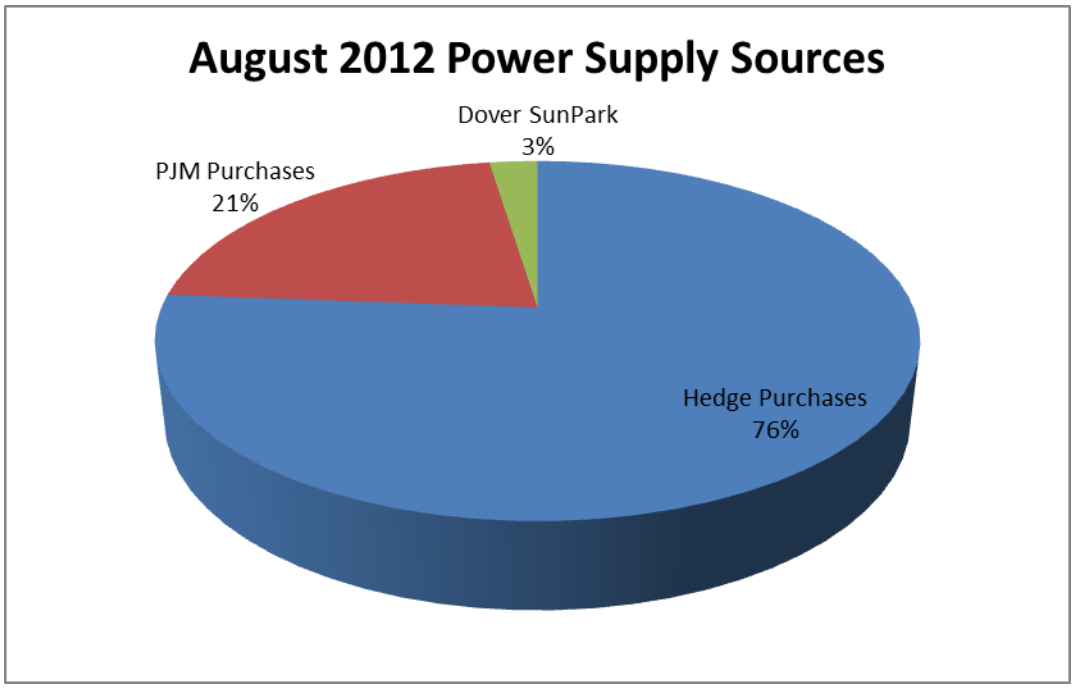
Dover's power purchases from hedge transactions totaled $3,922,292. Purchases from PJM (energy and fees) totaled $1,301,767, with DA Energy purchases totaling $882,316 and Balancing Spot Market Energy totaling a credit of $275,781.

Dover's total load was 77,973 MWh versus a forecasted load of 72,771 MWh.

Dover's planned energy purchase from the SunPark solar installation was 1,904MWh. Dover's actual purchase from the SunPark installation was 1,893 MWh.

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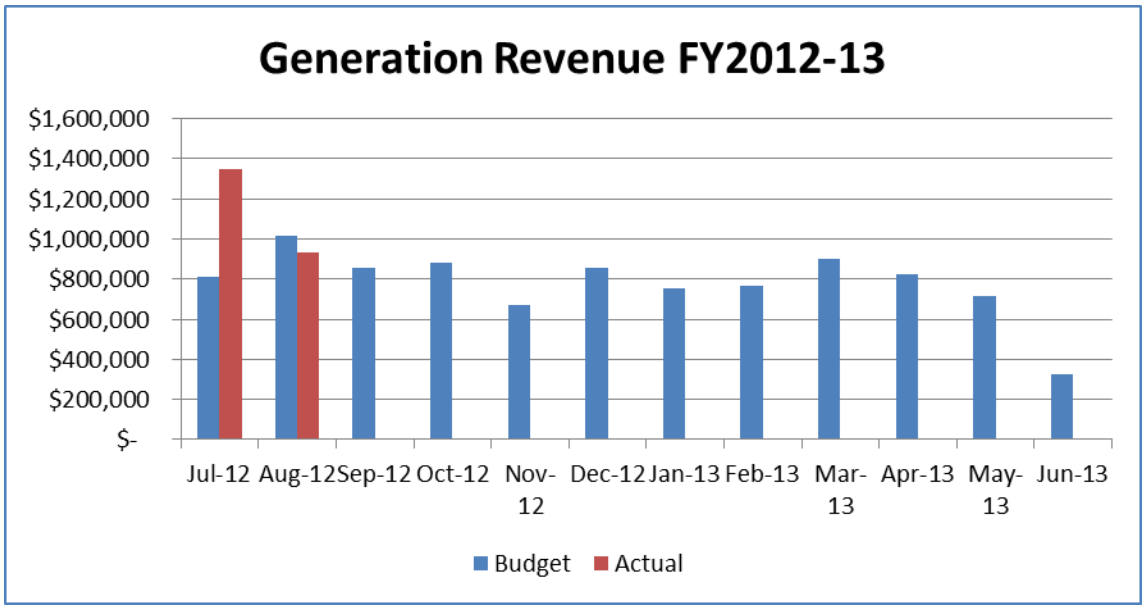
Supply Source Summary:



Supply Variance:

	Budget	Actual	Variance
Gross Load	72,771	77,973	(5,202)
Wholesale Load	70,867	76,080	(5,213)
Hedged Volume (MWh)	59,400	59,400	-
Unhedged Volume (MWh)	11,467	16,680	(5,213)
Dover SunPark Volume (MWh)	1,904	1,893	11
Renewable Energy Credits Volume	286	315	(29)
Hedged Cost ($/MWh)	$ 68	$ 66	0
Unhedged Energy Cost ($/MWh)	$ 127	$ 36	$ 91
Solar Energy Cost ($/MWh)	$ 83	$ 85	$ (2)
Energy Costs ($/MWh)	**$77.77**	**$60.21**	**$17.56**
All-in Costs - Energy, Capacity and RE	**$97.36**	**$82.38**	**$14.99**

B. Generation Summary:



Dover generated 4,235MWh in the month. Net generation revenue was $929,695 vs. a budget of $1,014,867. This delta was mainly due to less than budgeted generation revenue and slightly higher than budgeted O&M costs.

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Generation Breakdown:

City of Dover's Wholesale Generation		
Net Generation Mwh		**4,235.54**
All In Generation Margin		
PJM Bill Energy	$	327,756.81
PJM Capacity	$	1,205,977.50
Black Start, Reactive Credit, DASR & EFORp	$	39,938.90
Gas Purchases	$	(160,102.00)
Oil Purchases	$	-
Transport / Cash Out	$	(43,206.78)
Gross Margin	**$**	**1,370,364.43**
Production Margin		
Generation Production Revenues (PJM)	$	327,756.81
Gas Purchases	$	(160,102.00)
Oil Purchases	$	-
Transport / Cash Out	$	(43,206.78)
Gross Production Margin	**$**	**124,448.03**
$/Mwh All In Generation Margin	**$**	**323.54**
$/Mwh Generation Production Margin	**$**	**29.38**

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Fuel Purchases:

Spot Gas Purchases				
	Date	**Volume**	**Price**	**Total**
NJRES	8/2/2012	6,000.	3.53	(21,180.00)
	8/2/2012	1,000.	3.35	(3,350.00)
	8/3/2012	7,000.	3.27	(22,890.00)
	8/3/2012	3,600.	3.40	(12,240.00)
	8/7/2012	5,500.	3.35	(18,425.00)
	8/7/2012	650.	3.38	(2,197.00)
	8/9/2012	6,500.	3.30	(21,450.00)
	8/13/2012	5,800.	3.10	(17,980.00)
	8/13/2012	2,000.	3.20	(6,400.00)
	8/30/2012	5,500.	2.94	(16,170.00)
	8/31/2012	6,000.	2.97	(17,820.00)
Total		**49,550**	**$ 3.23**	**($160,102.00)**

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Transportation and Imbalance:

Eastern Shore Transport and Imbalance Charges			
Imbalance/dth	Imbalance/dth	Cost/dth	Total Cost
	2988	$3.44	($10,278.72)
			($10,278.72)
Transport	Volume/dth	$/dth	Total Cost
Firm/IT			
	50,858	$0.144100	($7,328.64)
	52,538	$0.056300	($2,957.89)
	51,603	$0.427800	($22,075.76)
	935	$0.605100	($565.77)
			($32,928.06)
Net			**($43,206.78)**

C. Emissions Summary:

Emissions Allowance Summary through August 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)
8/31/12	2012 Emissions[2]	(1)	(65)	(72)
TOTAL ALLOWANCES		9,065	66	113

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.

[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 as of September 24, 2012, based on broker bids & offers:

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	$ 4.23	66	279
NO_x Allowances - Annual	$25.00	113	2,825
TOTAL			**$ 9,903**

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 - August, 2012, Dover ran its generating units and did produce 13,994 tons of CO_2 emissions, thus reducing the amount available in the allowance bank.

CO2 Allowance Summary (8/31/2012)							
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 - Historical**	**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	(13,994)	13,578	106,290
2013	0	15,032	514	15,546	-	15,546	121,836

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 secondary 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 June 6th, 2012 and the auction cleared at $1.93/ton. Based on this auction, the value of Dover's existing RGGI allowance bank (106,290 tons) is approximately $205,140 (excluding allocations for 2013 which have not yet been allocated).

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.

D. Operations Management Summary:

During the month of August, there were no reportable or lost time accidents or injuries. The facility has now gone 687 days without an OSHA recordable accident and 687 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued. There were no Near Miss incidents. McKee Run Units 1and 2, were not dispatched by PJM nor were they self dispatched. Unit 3 was dispatched 7 times and VanSant Unit 11 was operated once. Also during the month, Units 3 and 11 successfully completed the PJM Capacity Test for the Summer Demonstration Period.

Monthly Budget Variance - The actual expenses attributable to O&M of the two sites for the month of August were $440,669. The actual expenses are $27,270 or 6.60% over the approved budget of $413,399. The principal reason for the unfavorable variance is due to timing of Contractual Services and increased costs associated with additional run time on Unit 3 and Unit 11.

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%	$61.47
2013-14	46%	$51.02
2014-15	27%	$47.00
2015-16	14%	$46.29

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II. Budget Report

Variance Report:

	Budget Aug-12	Actual Aug-12	Variance
Gross Load Forecast	**72,771**	**77,973**	**(5,202)**
Power Supply			
Hedged Energy	$4,038,702	$3,922,292	$116,410
PJM- Energy	$1,458,848	$606,534	$852,314
PJM - Transmission and Fees	$313,000	$695,232	($382,232)
Dover SUN Park Energy	$161,802	$165,987	($4,185)
Management Fees	$83,000	$83,000	$0
Capacity UCAP Obligated Purchased	$1,029,954	$950,128	$79,826
Subtotal - Power Supply	**$7,085,306**	**$6,423,173**	**$662,133**
Power Generation O&M & Fixed Fuel			
Plant O&M	$413,399	$440,669	($27,270)
Subtotal Generation O&M	**$413,399**	**$440,669**	**($27,270)**
Power Generation Production Margin			
Economic and reliability dispatch	($772,712)	($327,757)	($444,955)
Fixed Fuel and Transport Charges	$586,004	$203,309	$382,695
Subtotal Generation Production Margin	**($186,708)**	**($124,448)**	**($62,260)**
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)	($39,939)	$4,359
Subtotal - Non-Production Revenue	**($1,241,558)**	**($1,245,916)**	**$4,358**
SubTotal - All Generation	**($1,014,867)**	**($929,695)**	**($85,172)**
Total - Utilities Cost	**$6,070,439**	**$5,493,477**	**$576,962**
Unit Costs			
Total - Power Supply	$97.36	$82.38	$14.99
Total - Power Generation	($13.95)	($11.92)	($2.02)
Final Cost of Service to City of Dover Ratepayers	$83.42	$70.45	$12.97

Variance Analysis:

Power Supply

- Dover consumed 5,202 MWh more than what was forecasted for the month.
- PJM prices were lower than expected, but PJM's overall costs with fees wee higher than forecast. The net result was a net power supply cost of $82.38/MWh, $14.99/MWh lower than budget.
- For the month, the city realized a favorable variance of $662,133 for power supply vs. the monthly budget.
- Dover Sun Park generated 11 MWh more than what was forecasted.

Generation

- Power generation had an unfavorable budget variance of $85,172.
- Plant O&M expenses had an unfavorable budget variance of $27,270 for the month, mainly due to timing of contracted services.
- Generation Margin accounted for an unfavorable budget variance of $62,260 based on less generation production than was forecasted.
- Dover sold 4,235 MWh of generation to PJM.

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YTD Variance Report:

	Budget YTD	Actual YTD	Variance
Gross Load Forecast	**152,242**	**160,243**	**(8,001)**
Power Supply			
Hedged Energy	$8,388,095	$8,145,368	$242,727
PJM- Energy	$3,333,583	$1,408,745	$1,924,838
PJM - Transmission and Fees	$626,000	$1,613,378	($987,378)
Dover SUN Park Energy	$321,168	$333,355	($12,187)
Management Fees	$166,000	$166,000	$0
Capacity UCAP Obligated Purchased	$2,059,908	$1,900,225	$159,683
Subtotal - Power Supply	**$14,894,754**	**$13,567,071**	**$1,327,683**
Power Generation O&M & Fixed Fuel			
Plant O&M	$1,192,354	$1,076,453	$115,901
Subtotal Generation O&M	**$1,192,354**	**$1,076,453**	**$115,901**
Power Generation Production Margin			
Economic and reliability dispatch	($1,124,312)	($1,641,928)	$517,616
Fixed Fuel and Transport Charges	$586,004	$815,795	($229,791)
Subtotal Generation Production Margin	**($538,308)**	**($826,133)**	**$287,825**
Power Generation Non-Production Revenue			
Generation Capacity Credit	($2,411,956)	($2,411,955)	($2)
Emissions Allowance Sales	$0	$0	$0
Black Start & Reactive Power Revenue	($71,160)	($127,929)	$56,769
Subtotal - Non-Production Revenue	**($2,483,116)**	**($2,539,883)**	**$56,767**
SubTotal - All Generation	**($1,829,070)**	**($2,289,563)**	**$460,493**
Total - Utilities Cost	**$13,065,684**	**$11,277,508**	**$1,788,176**
Unit Costs			
Total - Power Supply	$97.82	$84.61	$13.21
Total - Power Generation	($12.10)	($14.23)	$2.13
Final Cost of Service to City of Dover Ratepayers	$85.72	$70.38	$15.34

III. Operations Management

NAES Corporation
Dover, Delaware

August 2012
Monthly Report



2012 NAES Scholarship Awards were presented to Kayla Carrow, Emily Carrow (daughters of Eric Carrow, Operator II) and Lori Berryhill, daughter of Lance Berryhill, Operations Supervisor.

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1.0 Environmental, Health and Safety:

During the month of August, there were no restricted work days or lost time accidents. The facility has now gone 1 year and 322 days (687 days total) through August 31, 2012 without an OSHA Recordable Accident or a Lost Time reportable accident.

The July DMR was submitted for the McKee Run site with no NPDES issues identified. A NPDES exceedence for the enterococcus limit on Outfall 005 was experienced and the facility is currently investigating the root cause of this issue to determine the best method to resolve it. The exceedence will be reported on the August DMR that is submitted in September.

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

Linearity testing was completed on Unit 3 CEMS during the recent unit operation as part of the CEMS certification and compliance requirements of the Title V Air Permit.

Work continues on the IWDP (wastewater) permit with Kent County. The first design draft of the electrical/controls portion of the project has been submitted to the facility and is currently under review. The City of Dover approved funding of the project as a multi-year CIP beginning in 2012, with funds being carried into 2013.

Environmental, Health, and Safety Statistics		
	Month (August)	Fiscal Year to Date (7/1/11-8/31/12)
NOVs	0	0
Opacity Deviations	0	0
Environmental Deviations	1	6
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	4,120.25	8,625.250
Date last OSHA Recordable		10/14/10
Date last Lost Time Accident		10/14/10
Days since last OSHA recordable		687
Days since last Lost Time Accident		687

Emissions (NOx & SO2) All data thru 8/31/12

NOx Summary - Year (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	32.5	0.6	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
2012	1.2	1.0	32.5	0.6	33.1
SO_2 Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2009	0.05	0.05	0.1	0.2	0.4
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

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	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	35/35 – 1/1	0/0 - 0/0	40/13	4/2
***Note – Emissions allowances are deducted according to oldest vintage first or unless otherwise directed.**							

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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	13,994	13,578
2013	0	15,032	514	0	15,546
Note: All CO2 allowance values are provided by the RGGI CO2 Allowance Tracking System.					

2.0 Financial

Financial – Current Month

Month – August	Actual	Budget	Variance
Personnel	236,618	239,870	3,252
Materials & Supplies	46,929	45,557	(1,372)
Administrative Expenses	157,122	127,972	(29,150)
Total	**$440,669**	**413,399**	**($27,270)**

Financial – Fiscal Year to Date

Number of Months – 2	Actual	Budget	Variance
Personnel	434,151	483,473	49,322
Materials & Supplies	57,387	95,464	38,077
Administrative Expenses	584,915	613,417	28,502
Total	**1,076,453**	**1,192,354**	**$115,901**

2.1 Variance analysis:

The City of Dover Finance Department has closed the books for the month of August. The expenses for August are $440,669 against a budgeted amount of $413,399 for an unfavorable variance of $27,270 or ≈ 6.60%. The variance was due to the following:

PERSONNEL EXPENSES – Higher overtime expenses to support unit run time were offset by lower straight time labor and burden expenses yielding a slight favorable variance of $3,252.

MATERIALS AND SUPPLIES EXPENSES- Higher Water Treatment Chemicals expenses due to increased unit operation time than budgeted were offset by lower Water - Sewer expenses which resulted in an unfavorable variance of $1,372 for the month.

ADMINISTRATIVE EXPENSES – Higher Contractual Services, Environmental Expenses, Home Office Labor, and Boiler Systems Maintenance expenses than budgeted contributed to an unfavorable variance of $29,150.

The budget is currently forecasted to finish this fiscal year at $5,871,999 expensed versus a budget of $5,914,900 thereby realizing a 99.27% expenditure rate.

3.0 Operations

Unit Operations / Outages / Trips

In the month of August, Unit 3 was dispatched seven times by PJM. Also during the month, Units 3 and 11 successfully completed the PJM Capacity Test for the Summer Demonstration Period. On August 3, Unit 3 completed the Capacity Test and on August 14, Unit 11 was self-dispatched to complete the Capacity Test.

Month – August 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	75.766	75.766	1.816	77.582
Starts	#	0	0	7	7	1	8
Gross Generation	MWh	0.0	0.0	4,566.539	4,566.539	69.034	4,635.573
Net Generation	MWh	0.0	0.0	4,190.303	4,190.303	68.992	4,259.295
Total Auxiliaries	MWh	21.811	21.811	613.718	657.340	.927	658.267
Auxiliaries purchased	MWh	21.811	21.811	237.482	281.104	.885	281.989
Fuel Gas Used	MMBTU	0.0	0.0	49,298.991	49,298.991	924.778	50,223.769
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	49,298.991	49,298.991	924.778	50,223.769
Net Heat Rate	BTU/KWh	0.0	0.0	11,765	11,765	13,404	12,845
Unit Trips	#	0	0	0	0	0	0
Capacity Factor	%	0.0	0.0	5.52	4.14	0.24	3.27
Availability Factor	%	100.00	100.00	100.00	100.00	100.00	100.00
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	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	744.000	744.000	668.234	2,156.234	742.184	2,898.418
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.

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2011-2012 Fiscal Year-to-Date (August)							
		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	231.381	396.133	22.066	418.199
Starts	#	2	2	20	24	4	28
Gross Generation	MWh	643.317	582.202	15,827.652	17,053.171	714.818	17,767.989
Net Generation	MWh	604.005	541.673	14,600.058	15,745.736	714.287	16,460.023
Total Auxiliaries	MWh	104.456	105.673	1,774.052	1,984.181	2.244	1,986.425
Auxiliaries purchased	MWh	65.144	65.144	546.458	676.746	1.713	678.459
Fuel Gas Used	MMBTU	9,072.980	8,108.898	167,031.015	184,212.893	8,429.434	192,642.327
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	167,031.015	184,212.893	8,542.001	192,754.894
Net Heat Rate	BTU/KWh	15,021	14,970	11,537	13,843	12,604	13,224
Unit Trips	#	0	0	0	0	0	0
Capacity Factor	%	0.54	0.49	2.18	1.76	0.28	1.43
Availability Factor	%	100.00	100.00	100.00	100.00	100.00	100.00
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	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	1,395.218	1,416.030	1,256.619	4,067.867	1,465.934	5,533.801
HW Boiler Gas Usage	MMBTU				0		0
Pilot Gas Usage	MMBTU	784	784		1,568		1,568

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)	454,725	455,169	0	444	454,725	0	444
VanSant (#2 Fuel Oil)	146,639	146,301	0	(338)	152,150	0	(5,849)

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

VanSant Lifetime through 8/31//12			
	Actual Starts	Factored Starts	Fired Hours
VanSant	1303	2230.45	4215.86
Since HGP - Dec 2004	229	562.75	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:

The teams are continuing to train to complete and review their EDQP programs. The operators use the program to train for a position desired and also as a review of programs as well reinforce current knowledge. The General Physics and the PJM on line courses are used in the training as well. The Plant Operations staff participates in the OES-NA training that helps prepare them for the PJM Certified System Operator exam and provides some of the required continuing education hours (CEHs) necessary to maintain PJM Certified System Operator qualifications.

During the month of August, the Operations staff successfully completed the PJM Capacity Testing on Units 3 and 11 for the Summer Demonstration Period.

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 Flex Team in both Operations and Maintenance areas to help in maintaining the plant.

4.0 Maintenance

During the month of August, the Plant Maintenance staff continued addressing the backlog of work orders and completing outage activities. There were sixty-three work orders issued with forty-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

August - 2012

Priority #	Outstanding From Previous Month	Issued This Month	Completed This Month	Outstanding at the end of the month
1	8	11	9	10
2	35	13	11	37
3	46	8	4	50
4	5	0	2	3
5	8	5	2	11
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	49	26	13	62
Totals	151	63	41	173

Note: PMs are included in the priority totals

Notable activities during the month include:

1) The Unit 3 Control Room Expansion Project is now complete. The expanded area in the control room is now home to the PJM computer, Metering computer and work station computers as well as other necessary equipment and phone systems that will provide improved logistics to the Operations staff.

2) The IC/E Staff troubleshot an issue with the Main Steam Control Valve on Unit 3 during a startup. The operations staff would start to roll the unit and as the turbine built up speed, the turbine will take off resulting in an over-speed trip condition. The IC&E staff found that there was a bad servo on the main control valve. They changed out the servo and the unit was able to come up to proper speed at the proper rate thereby ensuring safe and efficient operation of the unit and avoided a possible forced outage on the unit..

3) The Maintenance Staff is near completion of the lean-to are attached to #1 Warehouse. Enclosing the area will ensure equipment and materials remain dry and out of the weather. Housed within the enclosure will be the spill trailer, empty 55 gallon drums and spill materials. This will be helpful in the event of a spill in that these materials will be more easily accessible and aid in response time to containment or cleanup up of a spill.

4) The Maintenance Staff relocated the nitrogen station for Unit 3 from the 5th floor to the ground floor. The relocation of the N2 Station provided easier access to bottle storage.

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: Work scheduled to be complete in the 4th quarter.
EG1212	Unit 3 Turbine Repairs	Progress: Long lead material requirements being developed for bid. 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 fall 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. Installation bids are being solicited Schedule: The work is schedule to be complete in the 3rd quarter.
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 2nd 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
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 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.

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 80% complete and under review by plant staff. Schedule: Installation work planned for the 2nd quarter.

6.0 General Plant Information

During the month of August, the facility made two offers for IC&E Technician and an Operator position both offers were accepted. The two candidates will start on September 17th based on clearing a physical and screening process.

The Plant received the 90-day notification of an RFirst NERC audit to be held in October, 2012 for the McKee Run and VanSant facilities. The audit will only be performed on VanSant since RFirst has determined that McKee Run is not tied to the Bulk Electric System. The NAES NERC group is assisting with the preparation of the documents and submissions required through the auditing process. Next milestone is on September 5 when RSAW submittals and evidence is due for those standards being audited.

Training:

Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. The safety topic was on "Hurry Up Can Hurt You" which describes that each person needs to take their time doing job and you can't rush safety.

Calendar of Events	Date
DRBC Study Due	September 15, 2012
NOx Ozone Season Ends	September 30, 2012
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

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	Yes	Yes*	Yes	Yes*	$20,520*	$20,520
Unit 11	Yes	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	$ (27,799.88)	$ 35,617.77	$ 7,817.89
Balancing Spot Market Energy	$ (6,730.04)	$ (275,781.94)	$ (282,511.98)
Balancing Transmission Congestion	$ (1,888.45)	$ (8,335.97)	$ (10,224.42)
Balancing Transmission Losses	$ (502.85)	$ (2,508.95)	$ (3,011.80)
Black Start Service	$ (6,905.58)	$ 1,850.42	$ (5,055.16)
Capacity Resource Deficiency		$ (246.24)	$ (246.24)
Capacity Transfer Rights		$ (33,318.18)	$ (33,318.18)
Day-ahead Operating Reserve	$ (20,366.24)	$ 8,574.29	$ (11,791.95)
Day-ahead Scheduling Reserve	$ (3,565.74)	$ 2,639.98	$ (925.76)
Day-ahead Spot Market Energy	$ (240,057.22)	$ 882,316.25	$ 642,259.03
Day-ahead Transmission Congestion	$ (15,877.11)	$ 72,268.49	$ 56,391.38
Day-ahead Transmission Losses	$ (14,535.02)	$ 162,183.93	$ 147,648.91
Expansion Cost Recovery		$ 413.85	$ 413.85
FERC Annual Recovery		$ 5,374.26	$ 5,374.26
Generation Deactivation Refund		$ (744.31)	$ (744.31)
Inadvertent Interchange		$ 295.55	$ 295.55
Load Reconciliation for Balancing Operating Reserve		$ (6.08)	$ (6.08)
Load Reconciliation for FERC Annual Recovery		$ (0.63)	$ (0.63)
Load Reconciliation for Inadvertent Interchange		$ (1.43)	$ (1.43)
Load Reconciliation for Market Monitoring Unit (MMU) Funding		$ (0.05)	$ (0.05)
Load Reconciliation for North American Electric Reliability Corporation (NERC)		$ (0.10)	$ (0.10)
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		$ (1.89)	$ (1.89)
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund		$ 0.08	$ 0.08
Load Reconciliation for Reactive Services		$ 67.93	$ 67.93
Load Reconciliation for Regulation and Frequency Response Service		$ (7.38)	$ (7.38)
Load Reconciliation for Reliability First Corporation (RFC)		$ (0.12)	$ (0.12)
Load Reconciliation for Schedule 9-6 - Advanced Second Control Center		$ (0.24)	$ (0.24)
Load Reconciliation for Spot Market Energy		$ (1,044.04)	$ (1,044.04)
Load Reconciliation for Synchronized Reserve		$ (2.65)	$ (2.65)
Load Reconciliation for Transmission Congestion		$ (182.59)	$ (182.59)
Load Reconciliation for Transmission Losses		$ (38.44)	$ (38.44)
Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		$ (0.68)	$ (0.68)
Locational Reliability		$ 984,728.95	$ 984,728.95
Market Monitoring Unit (MMU) Funding		$ 373.15	$ 373.15

Meter Error Correction		$ (3,808.54)	$ (3,808.54)
Network Integration Transmission Service		$ 295,467.82	$ 295,467.82
Non-Firm Point-to-Point Transmission Service		$ (684.83)	$ (684.83)
North American Electric Reliability Corporation (NERC)		$ 842.40	$ 842.40
Organization of PJM States, Inc. (OPSI) Funding		$ 53.82	$ 53.82
PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center		$ 2,146.36	$ 2,146.36
PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.		$ 948.91	$ 948.91
PJM Scheduling, System Control and Dispatch Service - Control Area Administration		$ 13,197.72	$ 13,197.72
PJM Scheduling, System Control and Dispatch Service - Market Support		$ 3,122.88	$ 3,122.88
PJM Scheduling, System Control and Dispatch Service - Market Support Offset		$ (402.96)	$ (402.96)
PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration		$ 195.87	$ 195.87
PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.		$ (36.27)	$ (36.27)
PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration		$ (584.99)	$ (584.99)
PJM Scheduling, System Control and Dispatch Service Refund - Market Support		$ (141.35)	$ (141.35)
PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration		$ (9.99)	$ (9.99)
PJM Settlement, Inc.		$ 402.96	$ 402.96
Reactive Services		$ 73,348.41	$ 73,348.41
Reactive Supply and Voltage Control from Generation and Other Sources Service	$ (29,467.58)	$ 32,182.67	$ 2,715.09
Regulation and Frequency Response Service		$ 19,118.69	$ 19,118.69
Reliability First Corporation (RFC)		$ 1,053.03	$ 1,053.03
RPM Auction	$ (1,205,977.50)		$ (1,205,977.50)
Synchronized Reserve		$ 4,220.66	$ 4,220.66
Transmission Enhancement		$ 18,945.11	$ 18,945.11
Transmission Losses		$ (42,117.72)	$ (42,117.72)
Transmission Owner Scheduling, System Control and Dispatch Service		$ 5,795.46	$ 5,795.46
Day-ahead Operating Reserve for Load Response		$ 1.14	$ 1.14
Balancing Operating Reserve for Load Response		$ (28.18)	$ (28.18)
Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		$ (0.01)	$ (0.01)
Load Reconciliation for Day-ahead Scheduling Reserve		$ (27.95)	$ (27.95)
Peak-Hour Period Availability		$ (6,738.06)	$ (6,738.06)
Day-Ahead Load Response Charge Allocation		$ 1,169.38	$ 1,169.38
Real-Time Load Response Charge Allocation		$ 1,742.14	$ 1,742.14
Incremental Capacity Transfer Rights		$ (1,036.95)	$ (1,036.95)
Michigan - Ontario Interface Phase Angle Regulators		$ 190.82	$ 190.82
Grand Total	**$ (1,573,673.21)**	**$ 2,251,894.20**	**$ 678,220.99**

The Energy Authority, Inc.

Monthly Management Committee Update – September 2012

November 5, 2012

Updated: November 30, 2012

Prepared by:

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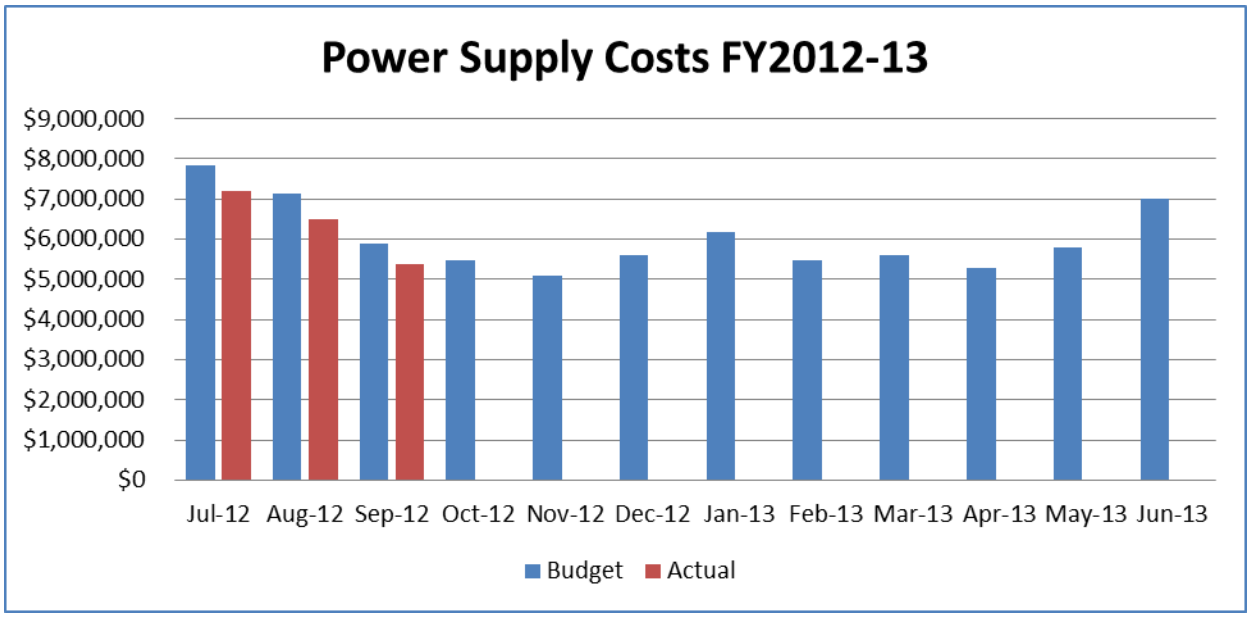
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I. Executive Summary

A. Power Supply Summary:



Overall Power Supply costs were $511,992 under budget due to lower PJM fees for RT Energy.

Dover's budgeted cost for all power supply (capacity AND energy) was $96.47/MWh. The actual cost of all power supply (capacity AND energy) was $84.66.

The cost of energy alone was $59.93/MWh, versus a budgeted energy cost of $73.56. The primary driver in the difference was the cost of unhedged energy. The city budgeted unhedged energy and PJM charges at $97/MWh. The actual cost of unhedged energy and PJM charges was $35/MWh – this decrease was due to lower PJM costs in the real time.

Dover's hedge purchases totaled 48,720MWh, which was 80% of the projected load and 77% of the actual load.

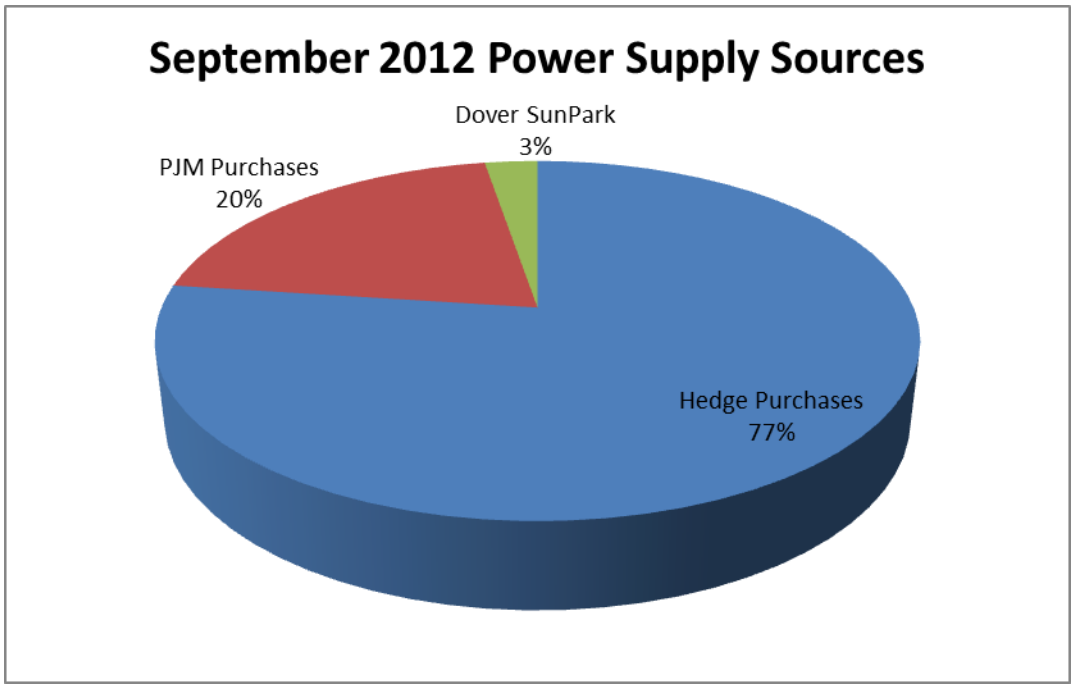
Dover's power purchases from hedge transactions totaled $3,188,284. Purchases from PJM (energy and fees) totaled $1,011,533, with DA Energy purchases totaling $696,721 and Balancing Spot Market Energy totaling a credit of $246,218.

Dover's total load was 63,216 MWh versus a forecasted load of 60,787 MWh.

Dover's planned energy purchase from the SunPark solar installation was 1,582MWh. Dover's actual energy purchase from the SunPark installation was 1,682 MWh.

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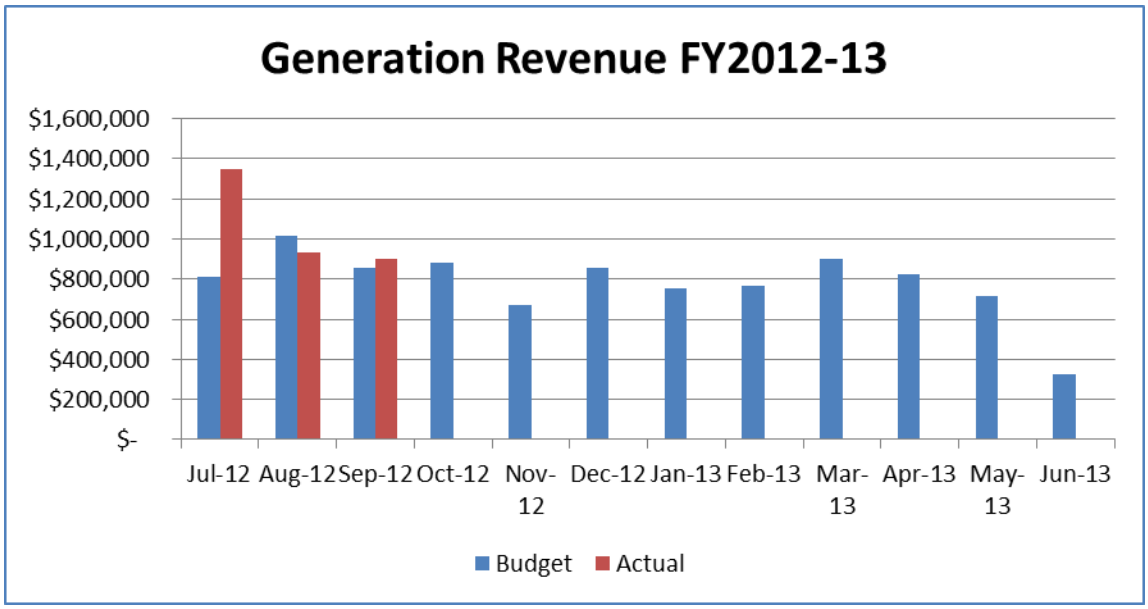
Supply Source Summary:



Supply Variance:

	Budget	Actual	Variance
Gross Load	60,787	63,216	(2,429)
Wholesale Load	59,205	61,534	(2,329)
Hedged Volume (MWh)	48,720	48,720	-
Unhedged Volume (MWh)	10,485	12,814	(2,329)
Dover SunPark Volume (MWh)	1,582	1,682	(100)
Renewable Energy Credits Volume	237	284	(47)
Hedged Cost ($/MWh)	$ 68	$ 65	0
Unhedged Energy Cost ($/MWh)	$ 97	$ 35	$ 61
Solar Energy Cost ($/MWh)	$ 83	$ 86	$ (3)
Energy Costs ($/MWh)	**$73.56**	**$59.93**	**$13.63**
All-in Costs - Energy, Capacity and RE	**$96.47**	**$84.66**	**$11.81**

B. Generation Summary:



Dover generated 2,694MWh in the month. Net generation revenue was $898,582 vs. a budget of $853,495. This delta was mainly due to higher than budgeted generation revenue offset by higher than budgeted O&M costs.

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Generation Breakdown:

City of Dover's Wholesale Generation		
Net Generation Mwh		**2,694.49**
All In Generation Margin		
PJM Bill Energy	$	222,361.90
PJM Capacity	$	1,167,075.00
Black Start, Reactive Credit, DASR & EFORp	$	37,090.55
Gas Purchases	$	(102,133.00)
Oil Purchases	$	-
Transport / Cash Out	$	(24,255.27)
Gross Margin	**$**	**1,300,139.18**
Production Margin		
Generation Production Revenues (PJM)	$	222,361.90
Gas Purchases	$	(102,133.00)
Oil Purchases	$	-
Transport / Cash Out	$	(24,255.27)
Gross Production Margin	**$**	**95,973.63**
$/Mwh All In Generation Margin	**$**	**482.52**
$/Mwh Generation Production Margin	**$**	**35.62**

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Fuel Purchases:

Spot Gas Purchases				
	Date	**Volume**	**Price**	**Total**
NJRES	9/4/2012	5,900.	2.99	(17,641.00)
	9/5/2012	6,200.	3.10	(19,220.00)
	9/6/2012	7,000.	3.10	(21,700.00)
	9/7/2012	4,000.	3.06	(12,240.00)
	9/7/2012	1,700.	3.10	(5,270.00)
	9/12/2012	6,400.	3.20	(20,480.00)
Sequent Energy Mgmt	**Date**	**Volume**	**Price**	**Total**
	9/12/2012	600.	3.12	(1,872.00)
	9/13/2012	1,000.	3.10	(3,100.00)
	9/25/2012	200.	3.05	(610.00)
Total		**33,000**	**$ 3.09**	**($102,133.00)**

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Transportation and Imbalance:

Eastern Shore Transport and Imbalance Charges			
Imbalance/dth	Imbalance/dth	Cost/dth	Total Cost
	1160	$3.10	($3,596.00)
			($3,596.00)
Transport	Volume/dth	$/dth	Total Cost
Firm/IT			
IT/R1	28,608	$0.144100	($4,122.41)
IT/R2	34,160	$0.056300	($1,923.21)
IT/D2	34,160	$0.427800	($14,613.65)
		$0.605100	$0.00
			($20,659.27)
Net			**($24,255.27)**

C. Emissions Summary:

Emissions Allowance Summary through September 30, 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)
9/30/12	2012 Emissions[2]	(1)	(37)	(37)
TOTAL ALLOWANCES		9,065	66	119

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 October 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	$21.00	66	1,386
NO_x Allowances - Annual	$42.50	119	5,057
TOTAL			**$13,242**

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.

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 - September, 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 (9/30/2012)							
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

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 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 31 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 the its SRECS. Through the end of August, 2012, Dover has accumulated a total of 2,355 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. Current market price for Delaware SRECS is estimated at $30/MWh, resulting in a market value of $70,650.

D. Operations Management Summary:

During the month of September, there were no reportable or lost time accidents or injuries. The facility has now gone 717 days without an OSHA recordable accident and 717 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued. There were no Near Miss incidents. McKee Run Units 1and 2 and VanSant Unit 11 were not dispatched by PJM nor were they self dispatched. Unit 3 was dispatched 5 times.

Monthly Budget Variance - The actual expenses attributable to O&M of the two sites for the month of September were $401,557. The actual expenses are $52,397 or 15.0% over the approved budget of $349,160. The principal reasons for the unfavorable variance were due to higher straight time (flex time cash out of $12,790) and increased costs associated with additional run time on Unit 3 which was not anticipated.

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 Sep-12	Actual Sep-12	Variance
Gross Load Forecast	**60,787**	**63,216**	**(2,429)**
Power Supply			
Hedged Energy	$3,317,078	$3,188,284	$128,794
PJM- Energy	$1,012,425	$450,504	$561,921
PJM - Transmission and Fees	$313,000	$561,029	($248,029)
Dover SUN Park Energy	$141,866	$149,808	($7,942)
Management Fees	$83,000	$83,000	$0
Capacity UCAP Obligated Purchased	$996,729	$919,482	$77,247
Subtotal - Power Supply	**$5,864,098**	**$5,352,106**	**$511,992**
Power Generation O&M & Fixed Fuel			
Plant O&M	$349,160	$401,557	($52,397)
Subtotal Generation O&M	**$349,160**	**$401,557**	**($52,397)**
Power Generation Production Margin			
Economic and reliability dispatch	$0	($222,362)	$222,362
Fixed Fuel and Transport Charges	$0	$126,388	($126,388)
Subtotal Generation Production Margin	**$0**	**($95,974)**	**$95,974**
Power Generation Non-Production Revenue			
Generation Capacity Credit	($1,167,075)	($1,167,075)	$0
Emissions Allowance Sales	$0	$0	$0
Black Start & Reactive Power Revenue	($35,580)	($37,091)	$1,511
Subtotal - Non-Production Revenue	**($1,202,655)**	**($1,204,166)**	**$1,511**
SubTotal - All Generation	**($853,495)**	**($898,582)**	**$45,087**
Total - Utilities Cost	**$5,010,603**	**$4,453,523**	**$557,079**
Unit Costs			
Total - Power Supply	$96.47	$84.66	$11.81
Total - Power Generation	($14.04)	($14.21)	$0.17
Final Cost of Service to City of Dover Ratepayers	$82.43	$70.45	$11.98

Variance Analysis:

Power Supply

- Dover consumed 2,429 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 $84.66/MWh, $11.81/MWh lower than budget.
- For the month, the city realized a favorable variance of $511,992 for power supply vs. the monthly budget.
- Dover Sun Park generated 100 MWh more than what was forecasted.

Generation

- Power generation had a favorable budget variance of $45,087.
- Plant O&M expenses had an unfavorable budget variance of $52,397 for the month, due to higher run times.
- Generation Margin accounted for a favorable budget variance of $96,738 based on more generation production than was forecasted.
- Dover sold 2,694 MWh of generation to PJM.

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YTD Variance Report:

	Budget YTD	Actual YTD	Variance
Gross Load Forecast	**213,029**	**223,459**	**(10,430)**
Power Supply			
Hedged Energy	$11,705,173	$11,333,652	$371,521
PJM- Energy	$4,346,008	$1,859,249	$2,486,759
PJM - Transmission and Fees	$939,000	$2,174,407	($1,235,407)
Dover SUN Park Energy	$463,033	$503,909	($40,876)
Management Fees	$249,000	$249,000	$0
Capacity UCAP Obligated Purchased	$3,056,637	$2,819,706	$236,931
Subtotal - Power Supply	**$20,758,851**	**$18,939,924**	**$1,818,928**
Power Generation O&M & Fixed Fuel			
Plant O&M	$1,541,514	$1,478,010	$63,504
Subtotal Generation O&M	**$1,541,514**	**$1,478,010**	**$63,504**
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	($3,579,031)	($3,579,030)	($2)
Emissions Allowance Sales	$0	$0	$0
Black Start & Reactive Power Revenue	($106,740)	($165,019)	$58,279
Subtotal - Non-Production Revenue	**($3,685,771)**	**($3,744,049)**	**$58,278**
SubTotal - All Generation	**($2,682,565)**	**($3,188,144)**	**$505,579**
Total - Utilities Cost	**$18,076,286**	**$15,751,779**	**$2,324,507**
Unit Costs			
Total - Power Supply	$97.37	$84.73	$12.64
Total - Power Generation	($12.74)	($14.23)	$1.48
Final Cost of Service to City of Dover Ratepayers	$84.62	$70.51	$14.12

III. Operations Management

NAES Corporation
Dover, Delaware

September 2012
Monthly Report



In Remembrance
Phil Kosek (1953- 2012)

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1.0 Environmental, Health and Safety:

During the month of September, there were no restricted work days or lost time accidents. The facility has now gone 1 year and 352 days (717 days total) through September 30, 2012 without an OSHA Recordable Accident or a Lost Time reportable accident.

On September 20, an EPA Facility Response Plan Audit Team arrived at the McKee Run site to conduct an unannounced drill and records review. The facility conducted the drill with the auditors watching and also shared the plan records with the EPA. The EPA had positive feedback on the facilities performance and gave the facility a score of "Passed". Future follow-up activities includes conducting a response drill on Silver Lake using the plant's spill response vendors.

The August DMR was submitted for the McKee Run site with a NPDES exceedence for the enterococcus limit on Outfall 005 reported. The root cause appears to be contamination (animal or animal waste) between the outlet of Unit #3 Cooling Tower and the 005 Outfall, within the storm water piping. Follow-up testing showed low levels of enterococcus in the tower as well as other sources. While work was scheduled to visually inspect the line, and perform cleaning, additional testing showed that whatever the contaminant source was, it is now gone.

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

Work continues on the IWDP (wastewater) permit with Kent County. A revised version of the electrical/controls design is currently under review. Quotes have been solicited for the mechanical pipe and fitting aspect of the project.

Environmental, Health, and Safety Statistics		
	Month (September)	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	3,981.75	12,607.00
Date last OSHA Recordable		10/14/10
Date last Lost Time Accident		10/14/10
Days since last OSHA recordable		717
Days since last Lost Time Accident		717

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Emissions (NOx & SO2) All data thru 9/30/12

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
2012	1.2	1.0	35.8	1.0	36.8
SO_2 Summary - Year (Jan-Dec) Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2009	0.05	0.05	0.1	0.2	0.4
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

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	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.**							

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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.					

2.0 Financial

Financial – Current Month

Month – September			
	Actual	Budget	Variance
Personnel	256,393	243,603	(12,790)
Materials & Supplies	27,316	19,107	(8,209)
Administrative Expenses	117,848	86,450	(31,398)
Total	**$401,557**	**$349,160**	**($52,397)**

Financial – Fiscal Year to Date

Number of Months – 3			
	Actual	Budget	Variance
Personnel	690,543	727,076	36,533
Materials & Supplies	84,703	114,571	29,868
Administrative Expenses	702,763	699,867	(2,896)
Total	**1,478,010**	**1,541,514**	**$63,504**

2.1 Variance analysis:

The City of Dover Finance Department has closed the books for the month of September. The expenses for September are $401,557 against a budgeted amount of $349,160 for an unfavorable variance of $52,397 or ≈ 15.01%. The variance was due to the following:

PERSONNEL EXPENSES – An unfavorable monthly variance of $12,790 was to due to higher straight time (flex time cash out) and overtime expenses to support unit operations.

MATERIALS AND SUPPLIES EXPENSES- An unfavorable monthly variance of $8,209 was due to higher than budgeted Water-Sewer and Water Treatment Chemicals expenses caused by increased unit operations.

ADMINISTRATIVE EXPENSES – An unfavorable monthly variance of $31,398 was due to higher Electricity, Environmental Expenses, Other Equipment-Maintenance and Auxiliary Equipment Maintenance expenses than budgeted caused by increased unit operations.

The budget is currently forecasted to finish this fiscal year at $5,892,284 expensed versus a budget of $5,914,900 thereby realizing a 99.62% expenditure rate.

3.0 Operations

Unit Operations / Outages / Trips

In the month of September, Unit 3 was dispatched five times by PJM. On September 6, Unit 3 tripped off line due to problems with the motor operated disconnect (MOD) not showing closed when the unit was on line. The unit was back on within the following hour therefore the unit was not charged with an outage by PJM. The City of Dover Electric Department will make permanent repairs to the MOD during the fall outage.

Month – September 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	54.383	54.383	0.0	54.383
Starts	#	0	0	6	6	0	6
Gross Generation	MWh	0.0	0.0	2,969.836	2,969.836	0.0	2,969.836
Net Generation	MWh	0.0	0.0	2,717.455	2,717.455	0.0	2,717.455
Total Auxiliaries	MWh	20.017	20.017	444.678	484.712	1.750	486.462
Auxiliaries purchased	MWh	20.017	20.017	192.297	232.331	1.750	234.081
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	3.70	2.78	0.0	2.14
Availability Factor	%	100.00	100.00	100.00	100.00	100.00	100.00
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	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	720.000	720.000	665.617	2,105.617	720.000	2,825.617
HW Boiler Gas Usage	MMBTU				0		0
Pilot Gas Usage	MMBTU	0	114,663		114,663		114,663

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

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2011-2012 Fiscal Year-to-Date (September)							
		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	124.473	125.690	2,218.730	2,468.893	3.994	2,472.887
Auxiliaries purchased	MWh	85.161	85.161	738.755	909.077	3.463	912.540
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	%	0.54	0.49	2.59	2.07	0.28	1.67
Availability Factor	%	100.00	100.00	100.00	100.00	100.00	100.00
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	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	2,115.218	2,136.030	1,922.570	6,173.818	2,185.934	8,359.752
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 9/30//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 Flex Team 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 September, the Plant Maintenance staff continued addressing the backlog of work orders and completing outage activities. There were forty work orders issued with sixty-one work orders being completed during the month. There was 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

September - 2012

Priority #	Outstanding From Previous Month	Issued This Month	Completed This Month	Outstanding at the end of the month
1	11	1	3	9
2	41	2	14	29
3	50	4	7	47
4	4	2	0	6
5	13	2	0	15
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	45	29	37	37
Totals	164	40	61	143

Note: PMs are included in the priority totals

Notable activities during the month include:

1) The Maintenance Staff completed the Lean-to Project by finishing the outer walls and installing shelving. The building will be home for the spill trailer and all spill material used throughout the facility.

2) The IC/E Staff and WPCC completed the mass oil flow testing and calibration on Units 1, 2 & 3. During the testing, flow rates were set up and flows recorded at three different levels on all the units. The flow rates were found to be in specification. There were no issues while running the test.

3) During the past operation season, a leak was discovered on IK-3 sootblower on Unit 3. It was determined that a new lance tube and feed tube needed to be installed to correct the problem. The parts were ordered and received. The Maintenance Staff removed the old lance and feed tubes. The new tubes were

installed and tested for operation without steam pressure. A complete operational test will be conducted when the unit is operating.

4) The IC&E Staff and WPCC completed the installation and testing of new logic for burner trips alarms. The old logic that was installed in the BMS(burner management system)system had only one alarm which was Burner Trip. The alarm did not differentiate a between oil trip and a gas trip thus resulting in having a burner trip alarm in all the time. The new logic will allow differentiation between an oil burner trip and a gas burner trip condition..

5) The Maintenance Staff completed the installation of an access door installed in the BOFA fan duct work. This access door will be utilized to access the ductwork for inspections and to complete other maintenance on the BOFA fan and the ductwork.

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. 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 expected to be onsite at beginning of outage. Installation bids have been solicited and are being evaluated for contract award. Schedule: The work is schedule to be complete in the 3rd quarter.
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 2nd 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 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.
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 85% complete and under review by plant staff. Schedule: Installation work planned for the 4th quarter.
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 Schedule: Installation work planned for the fall outage.

6.0 General Plant Information

On September 20, while resting at home after being at work that morning, Phil Kosek suffered a major heart attack and passed away. All efforts were made to revive him by emergency personnel. Phil had worked at the plant for 37 years before his death while under the auspices of the City of Dover, DFD Operating Services, DE Operating Services and NAES Corp. He provided an extraordinary personal touch to all he did in support of the plant and plant staff. He will be greatly missed by all who interacted with him.

On September 17, two new employees were brought on-board. John deBloois was hired as an I,C/E Technician and Jeff Luff was rehired to work as a Plant Operator.

On September 20, Mike Shane successfully passed the PJM Operator Certification exam. Congratulations to Mike on accomplishing this goal.

Training:

Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. The safety topic was on “Flying Objects” “The One Eyed Carpenter”, which describes that each person needs to watch out for flying debris that could get in their eyes or cut them.

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		$ (1,081.20)	$ (1,081.20)
Balancing Operating Reserve	$ (8,234.05)	$ 29,578.93	$ 21,344.88
Balancing Spot Market Energy	$ (2,362.00)	$ (246,218.10)	$ (248,580.10)
Balancing Transmission Congestion	$ (3,298.79)	$ (670.35)	$ (3,969.14)
Balancing Transmission Losses	$ (617.53)	$ 959.57	$ 342.04
Black Start Service	$ (6,905.58)	$ 1,709.55	$ (5,196.03)
Capacity Resource Deficiency		$ (234.90)	$ (234.90)
Capacity Transfer Rights		$ (32,243.40)	$ (32,243.40)
Day-ahead Operating Reserve	$ (24,216.27)	$ 26,979.39	$ 2,763.12
Day-ahead Scheduling Reserve	$ (717.39)	$ 540.83	$ (176.56)
Day-ahead Spot Market Energy	$ (163,663.05)	$ 696,721.74	$ 533,058.69
Day-ahead Transmission Congestion	$ (11,780.88)	$ 7,403.20	$ (4,377.68)
Day-ahead Transmission Losses	$ (8,189.33)	$ 81,959.68	$ 73,770.35
Expansion Cost Recovery		$ 413.70	$ 413.70
FERC Annual Recovery		$ 4,326.49	$ 4,326.49
Generation Deactivation Refund		$ (744.31)	$ (744.31)
Inadvertent Interchange		$ (210.36)	$ (210.36)
Load Reconciliation for Balancing Operating Reserve		$ (40.24)	$ (40.24)
Load Reconciliation for FERC Annual Recovery		$ (12.79)	$ (12.79)
Load Reconciliation for Inadvertent Interchange		$ (1.85)	$ (1.85)
Load Reconciliation for Market Monitoring Unit (MMU) Funding		$ (0.82)	$ (0.82)
Load Reconciliation for North American Electric Reliability Corporation (NERC)		$ (2.01)	$ (2.01)
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service		$ (38.35)	$ (38.35)
Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund		$ 1.71	$ 1.71
Load Reconciliation for Reactive Services		$ (59.72)	$ (59.72)
Load Reconciliation for Regulation and Frequency Response Service		$ (63.06)	$ (63.06)
Load Reconciliation for Reliability First Corporation (RFC)		$ (2.51)	$ (2.51)
Load Reconciliation for Schedule 9-6 - Advanced Second Control Center		$ (4.00)	$ (4.00)
Load Reconciliation for Spot Market Energy		$ (8,454.12)	$ (8,454.12)
Load Reconciliation for Synchronized Reserve		$ (28.90)	$ (28.90)
Load Reconciliation for Transmission Congestion		$ 17.16	$ 17.16
Load Reconciliation for Transmission Losses		$ (297.94)	$ (297.94)
Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service		$ (13.80)	$ (13.80)
Locational Reliability		$ 952,963.50	$ 952,963.50
Market Monitoring Unit (MMU) Funding		$ 297.81	$ 297.81
Meter Error Correction		$ (3,984.63)	$ (3,984.63)
Network Integration Transmission Service		$ 285,936.60	$ 285,936.60
Non-Firm Point-to-Point Transmission Service		$ (390.04)	$ (390.04)
North American Electric Reliability Corporation (NERC)		$ 678.17	$ 678.17
Organization of PJM States, Inc. (OPSI) Funding		$ 43.33	$ 43.33
PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center		$ 1,477.52	$ 1,477.52

PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.		$ 918.30	$ 918.30
PJM Scheduling, System Control and Dispatch Service - Control Area Administration		$ 10,624.76	$ 10,624.76
PJM Scheduling, System Control and Dispatch Service - Market Support		$ 2,496.41	$ 2,496.41
PJM Scheduling, System Control and Dispatch Service - Market Support Offset		$ (320.87)	$ (320.87)
PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration		$ 151.34	$ 151.34
PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.		$ (35.02)	$ (35.02)
PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration		$ (465.86)	$ (465.86)
PJM Scheduling, System Control and Dispatch Service Refund - Market Support		$ (111.70)	$ (111.70)
PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration		$ (7.66)	$ (7.66)
PJM Settlement, Inc.		$ 320.87	$ 320.87
Reactive Services		$ 72,448.61	$ 72,448.61
Reactive Supply and Voltage Control from Generation and Other Sources Service	$ (29,467.58)	$ 32,311.55	$ 2,843.97
Regulation and Frequency Response Service		$ 14,068.95	$ 14,068.95
Reliability First Corporation (RFC)		$ 847.73	$ 847.73
RPM Auction	$ (1,167,075.00)		$ (1,167,075.00)
Synchronized Reserve		$ 3,274.09	$ 3,274.09
Synchronous Condensing		$ 18.82	$ 18.82
Transmission Enhancement		$ 18,945.11	$ 18,945.11
Transmission Losses		$ (28,380.21)	$ (28,380.21)
Transmission Owner Scheduling, System Control and Dispatch Service		$ 4,665.62	$ 4,665.62
Day-ahead Operating Reserve for Load Response		$ 15.63	$ 15.63
Balancing Operating Reserve for Load Response		$ 141.27	$ 141.27
Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding		$ (0.13)	$ (0.13)
Load Reconciliation for Day-ahead Scheduling Reserve		$ (51.32)	$ (51.32)
Day-Ahead Load Response Charge Allocation		$ 880.18	$ 880.18
Real-Time Load Response Charge Allocation		$ 1,852.09	$ 1,852.09
Incremental Capacity Transfer Rights		$ (1,003.50)	$ (1,003.50)
Michigan - Ontario Interface Phase Angle Regulators		$ 197.74	$ 197.74
Grand Total	**$ (1,426,527.45)**	**$ 1,931,014.28**	**$ 504,486.83**

FUND SUMMARY as of 10/26/2012

Total Collected	$829,868.31
DEMEC Admin Fee Paid	$36,180.71
State Admin Fee Paid	$17,752.88
Grants Paid	$509,067.00
Customer Only Grants/Fees Reserved and Amount Owed	$36,358.63
Community Project Funds Requested	$367,050.00
Energy Depot Paid	$39,980.47
Efficiency Programs Paid	$34,068.34
Solar Electric Power Association (SEPA) Fee	$2,158.81
*Unencumbered Funds Available	**$7,046.59**
Funding Shortfall	
Current Grant Payment Delay (Months)	**0.0**

* As of 10/26/2012

GRANTS PAID

Date Grant Paid	Applicant	Type	Grant Amount Paid	Review Fee Paid	Amount Owed
9/21/2007	Laura Drew Kelly	Geo - Res	$ 3,000.00	$ 225.00	$ -
12/5/2007	Domingo Reye	Solar - Res	$ 12,762.50	$ 750.00	$ -
4/16/2008	Lakeland Commercial Group	Geo - Comm	$ 10,800.00	$ 750.00	$ -
6/19/2008 & 08/25/2008	L.D. Shank - Triad Farms	Solar - Comm	$ 30,000.00	$ 750.00	$ -
10/6/2008	City of Dover	Solar - Comm	$ 40,820.00	$ 750.00	$ -
10/21/2008	Robert & Cynthia Hartman	Geo HP- Res	$ 1,800.00	$ 135.00	$ -
10/21/2008	Robert Varipapa	Geo HP- Res	$ 2,400.00	$ 180.00	$ -
2/27/2009	David Jump	Solar - Res	$ 15,000.00	$ 750.00	$ -
2/27/2009	Jakob Seren	Solar - Res	$ 15,000.00	$ 750.00	$ -
2/27/2009	William Sweet	Solar - Res	$ 15,000.00	$ 750.00	$ -
3/31/2009	LD Shank - Triad Farms	Solar WH-Comm	$ 3,000.00	$ 225.00	$ -
3/31/2009	Warren & Joan Seaver	Geo HP- Res	$ 3,000.00	$ 225.00	$ -
4/22/2009	William Sweet	Solar HW	$ 3,000.00	$ 225.00	$ -
4/28/2009	State of DE/DNREC - DE National	Solar - Comm	$ 30,000.00	$ 750.00	$ -
4/29/2009	Delaware Primary Care, LLC	Solar - Comm	$ 30,000.00	$ 750.00	$ -
9/11/2009	NCALL	Solar - Comm	$ 30,000.00	$ 750.00	$ -
9/11/2009	D. Brian Beckman	Geo HP- Res	$ 2,000.00	$ 150.00	$ -
9/21/2009	LKSC Dover, LLC Kids Cottage	Solar - Comm	$ 29,925.00	$ 750.00	$ -
10/5/2009	Mark F. Boller	Geo HP- Res	$ 3,000.00	$ 225.00	$ -
10/5/2009	John Welgan	Solar - Res	$ 15,000.00	$ 750.00	$ -
11/4/2009	LKSC Dover, LLC Kids Cottage	Geo - Comm	$ 12,000.00	$ 750.00	$ -
3/25/2010	Minaxi Patel	Solar - Res	$ 15,000.000	$ 750.000	$ -
3/23/2010	J. McGiffin Jr. & K. Doyle	Geo HP- Res	$ 3,000.000	$ 225.000	$ -
5/28/2010	Nancy Warner	Geo HP- Res	$ 1,200.000	$ 90.000	$ -
6/2/2010	David Teel	Geo HP - Res	$ 1,800.000	$ 135.000	$ -
6/2/2010	Dewey J. Barich	Geo HP- Res	$ 2,400.00	$ 180.000	$ -
7/12/2010	Mike & Sharonb Laverty	Solar - Res	$ 5,105.000	$ 382.880	$ -
8/19/2010	James Grilli	Geo HP- Res	$ 1,800.00	$ 135.000	$ -
8/19/2010	Michael Noble	Solar - Res	$ 15,000.000	$ 750.000	$ -
9/17/2010	David Teel	Solar - Res	$ 7,500.000	$ 562.500	$ -
3/8/2011	Michael & Carol Apgar	Solar - Res	$ 7,500.000	$ 562.500	$ -
3/17/2011	Elizabeth Murphey School	Geo HP - Comm	$ 9,200.000	$ 690.000	$ -
5/24/2011	Richard Avant	Geo HP - Res	$ 2,400.000	$ 180.000	$ -
6/23/2011	Charles Messina Plumbing	Solar - Comm	$ 10,000.000	$ 750.000	$ -
10/4/2011	Charles Bounds	Geo HP - Res	$ 1,800.000	$ 135.000	$ -
3/29/2011	Psychiatric Access Central DE	Solar - Comm	$ 13,187.500	$ 750.000	$ -
7/8/2011	Michael J. Kopp	Geo - Res	$ 2,300.000	$ 135.000	$ 37.50
10/17/2011	City of Dover **	Geo HP	$ 48,267.000	$ -	
3/7/2012	Ruth Ann Piper	Geo - Res	$ 1,200.000		$ 90.00
3/7/2012	Robert Hall	Geo - Res	$ 3,000.000		$ 225.00
3/7/2012	Elizabeth Murphey School	Geo - Comm	$ 13,800.000		$ 750.00
3/7/2012	Elizabeth Murphey School	Geo - Comm	$ 12,000.000		$ 750.00
3/7/2012	Elizabeth Murphey School	Geo - Comm	$ 5,400.000		$ 405.00
3/7/2012	Elizabeth Murphey School	Geo - Comm	$ 1,800.000		$ 135.00
3/7/2012	Elizabeth Murphey School	Geo - Comm	$ 10,200.000		$ 750.00
3/7/2012	Frank Daniels	Geo - Res	$ 4,400.000		$ 330.00
8/15/2012	Chong S. Tamburo-Lepage	Geo - Res	$ 2,300.00		$172.50
		Total	**$ 509,067.00**	**$ 17,752.88**	**$ 3,645.00**

ARRA RELIEF GRANTS PAID

Paid by State	Customer	System Type	Amount
6/10/2011	Arturo Sanchez	Solar - PV	$ 7,500.00
10/19/2011	John Diamond Enterprise LLC	Solar - PV - Com	$ 30,000.00
10/19/2011	John Diamond Enterprise LLC	Geo HP - Com	$ 10,000.00
		Total	**$ 47,500.00**

PENDING APPLICATIONS

Status	Applicant	Type	Grant Reservation Request	Review Fee
Reservation Approved - Pending Completion	ABRA Associates, LLC	Solar - PV - Com	$10,770.00	$750.00
Reservation Approved - Pending Completion	Delaware Tech	Solar - PV - Com	$6,940.00	$520.50
Reservation Approved - Pending Completion	Christopher W. Los	Geo - Res	$3,000.00	$225.00
Reservation Approved - Pending Completion	Dennis Ho	Solar - Res	$6,775.00	$508.13
Reservation Approved - Pending Completion	Matthew and Kimberly Chesser	Geo - Res	$3,000.00	$225.00
		Total	**$30,485.00**	**$2,228.63**

ENERGY DEPOT FEES

Paid	Fee Period	Amount
3/3/2008	Start-up Fees	$5,872.50
4/15/2008	Start-up Fees	$1,957.50
4/15/2008	Mar, Apr, May 2008	$1,692.13
7/22/2008	June, July, Aug 2008	$1,692.13
10/10/2008	Sept, Oct, Nov 2008	$1,692.13
1/2/2009	Dec 08, Jan, Feb 2009	$1,692.13
4/3/2008	Mar, Apr, May 2009	$1,692.13
7/1/2009	June, July, Aug 2009	$1,692.13
9/11/2009	Sept, Oct, Nov 2009	$1,692.13
1/4/2010	Dec 09, Jan, Feb 2010	$1,692.13
3/29/2010	Mar, April, May 2010	$1,692.13
6/30/2010	June, July, Aug 2010	$1,692.13

10/4/2010	Sept, Oct, Nov 2010	$1,692.13
1/3/2011	Dec 2010, Jan, Feb 2011	$1,692.13
4/5/2011	Mar, Apr, May 2011	$1,692.13
7/8/2011	June, July, Aug 2011	$1,692.13
10/4/2011	Sept, Oct, Nov, 2011	$1,692.13
1/3/2012	Dec 2011; Jan, Feb 2012	$1,692.13
4/5/2012	Mar, Apr, May 2012	$1,692.13
7/2/2012	June, July, Aug 2012	$1,692.13
10/2/2012	Sept, Oct, Nov 2012	$1,692.13
	Dec 09, Jan, Feb 2013	
	Total Paid	**$39,980.47**

ENERGY EFFICIENCY CAMPAIGNS/EDUCATION PROGRAMS

Paid	Program Measure	Amount
10/21/2008	1,500 CFL Campaign & Educational Literature	$5,012.29
12/11/2008	Reimbursement for Green	$3,459.12
3/31/2009	Thermal Imager for Home Audits Program	$5,581.12
1/4/2011	Eco @ Home Energy Conserv. Calendars	$20,015.81
	Total	**$34,068.34**

Dover Library Commuity Grant Project

Collections

$5,021.15	1/2 of Oct 2009 GEF Payment
$4,783.94	1/2 of Nov 2009 GEF Payment
$4,813.23	1/2 of Dec 2009 GEF Payment
$5,454.02	1/2 of Jan 2010 GEF Payment
$5,147.49	1/2 of Feb 2010 GEF Payment
$4,897.69	1/2 of March 2010 GEF Payment
$3,976.14	1/2 of April 2010 GEF Payment
$5,638.90	1/2 of May 2010 GEF Payment
$5,645.35	1/2 of June 2010 GEF Payment
$6,590.60	1/2 of July 2010 GEF Payment
$7,786.09	1/2 of August 2010 GEF Payment
$6,415.31	1/2 of Sept 2010 GEF Payment
$5,327.96	1/2 of Oct 2010 GEF Payment
$4,787.73	1/2 of Nov 2010 GEF Payment
$4,939.75	1/2 of Dec 2010 GEF Payment
$5,452.55	1/2 of Jan 2011 GEF Payment
$5,410.35	1/2 of Feb 2011 GEF Payment
$4,646.32	1/2 of March 2011 GEF Payment
$4,742.22	1/2 of April 2011 GEF Payment
$4,702.48	1/2 of May 2011 GEF Payment
$5,664.97	1/2 of June 2011 GEF Payment
$6,430.15	1/2 of July 2011 GEF Payment
$6,916.50	1/2 of Aug 2011 GEF Payment
$6,149.31	1/2 of Sept 2011 GEF Payment
$5,243.92	1/2 of Oct 2011 GEF Payment
$4,829.91	1/2 of Nov 2011 GEF Payment
$4,531.81	1/2 of Dec 2011 GEF Payment
$4,990.50	1/2 of Jan 2012 GEF Payment
$5,071.81	1/2 of Feb 2012 GEF Payment
$4,828.32	1/2 of March 2012 GEF Payment
$4,857.07	1/2 of April 2012 GEF Payment
$4,230.04	1/2 of May 2012 GEF Payment
$5,711.19	1/2 of June 2012 GEF Payment
$6,085.89	1/2 of July 2012 GEF Payment
$7,347.66	1/2 of Aug 2012 GEF Payment
$6,453.66	1/2 of Sept 2012 GEF Payment
	1/2 of Oct 2012 GEF Payment
	1/2 of Nov 2012 GEF Payment
	1/2 of Dec 2012 GEF Payment

$195,521.89	**Total Collections**	
		Total Dover Lib. Draws to Date
$48,267.00		**10/17/2011**
$147,254.89		**Total Funds Available for Draw**