UTILITY COMMITTEE

A G E N D A

June 13, 2011 - 5:00 P.M. - Council Chambers - City Hall - City of Dover

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. Dedication of Rights-of-Way and Public Infrastructure - Blue Hen Apartments

2. Universal Recycling Grants - Recycling Services Reimbursement Agreement

3. Review of Utility Related Capital Investment Plan (CIP) *(Electric and Water/Wastewater)*

4. PACE/NAES Report *(March and April)*

5. Updates - National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit

6. Adjournment by 5:55 P.M.

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

ACTION FORM

PROCEEDING: Utility Committee	**AGENDA ITEM**:
DEPARTMENT OF ORIGIN: Public Services	**DATE SUBMITTED**: 05/24/2011
PREPARED BY: Scott D. Koenig, P.E., Public Services Manager	
SUBJECT: Dedication of Rights-of-Way & Public Infrastructure – Blue Hen Apartments	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: City Manager	
EXHIBITS: Attachment A – List of Public Improvements to be accepted by the City of Dover Attachment B – Map	
EXPENDITURE REQUIRED: $ N/A **AMOUNT BUDGETED**: $ N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A	
TIMETABLE: All infrastructure improvements will become the responsibility of the City of Dover upon action by City Council.	
RECOMMENDED ACTION: Acceptance of dedication of rights-of-way and public infrastructure adjacent to the Blue Hen Apartment Complex. Dedication is to include all of the referenced public improvements.	

BACKGROUND AND ANALYSIS

The developer of the Blue Hen Apartment Complex, Pettinaro Construction Co., Inc. has requested that all public infrastructure improvements adjacent to this project be dedicated to the City of Dover for permanent ownership and maintenance. Attachment A outlines all of the public improvements associated with this project. The total construction value of the public improvements is $240,750. Attachment B shows the general location and configuration of the subject rights-of-way. Pettinaro Construction, Co., Inc. has constructed all of the improvements in accordance with City standards and specifications. After construction was completed, City staff inspected the public improvements and provided the developer with a list of repairs to be made to meet the City of Dover Standards and Specifications for Public Works Construction. As of this date, all work related to the public infrastructure has been completed by the developer. A one (1) year Maintenance Agreement, Letter of Credit and a Release of Liabilities will be submitted by the developer as part of the dedication process. In addition, as-built drawings of the subject improvements and rights-of-way have been submitted to the City of Dover for our permanent records.

DEDICATION OF RIGHTS-OF-WAY AND PUBLIC INFRASTURCTURE
AREA ADJACENT TO BLUE HEN APARTMENTS

ATTACHMENT A

The following is a list of all public improvements which are to be accepted by the City of Dover:

Street Infrastructure (0.3040 miles) (Construction Value = $ 240,750):

Blue Hen Boulevard	Station 0+00 to Station 11+60	1,160 l.f.
Haslet Street	Station 0+00 to Station 4+45	445 l.f.

ATTACHMENT B

Blue Hen Boulevard & Haslet Street
Right of Way to be Dedicated to the City of Dover



0 100 200 400 Feet

N

Date Printed: May 24, 2011
Date Created: May 24, 2011
File: m:\gis_data\projects\tech_mxds
\street_dedication_blue_hen_blvd
Department: Public Services GIS
City of Dover, Delaware

Legend

Dover Parcels

Right of Way to be Dedicated

ACTION FORM

PROCEEDING: Utility Committee **AGENDA ITEM**
DEPARTMENT OF ORIGIN: Public Services **DATE SUBMITTED**: June 2, 2011
PREPARED BY: Scott D. Koenig, P.E., Public Services Manager
SUBJECT: Universal Recycling Grants – Recycling Services Reimbursement Agreement
REFERENCE: N/A
RELATED PROJECT: N/A
APPROVALS: City Manager, City Controller
EXHIBITS: Attachment A – Recycling Services Reimbursment Agreement – Contract # 11-URG025
EXPENDITURE REQUIRED: $101,151.00. **AMOUNT BUDGETED**: N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**: DNREC will reimburse the City of Dover for up to $101,151.00 per the agreement.
TIMETABLE: Works shall begain as soon as possible and be completed by September 15, 2011.
RECOMMENDED ACTION: Authorize staff to execute the Recycling Services Reimbursement Agreement (Contract # 11- URG025) between DNREC and the City of Dover. The City of Dover will be eligible for reimbursement up to $101,151.00 for work and/or services identified in the agreement.

BACKGROUND AND ANALYSIS

In June 2010, the State of Delaware passed legislation which established Universal Recycling in Delaware. This legislation requires the the implementation of comprehensive residential and commercial recycling programs by municipalities and waste haulers. It also established the Delaware Recycling Fund and the Recycling Grants and Low-Interest Program to defray the costs of implementation, and funds, with funding derived by the conversion of the former bottle deposit to a Recycling Fee on beverage containers.

In January 2011, the City of Dover submitted a series of grant applications related to the implementation of a comprehensive recycling program. In April 2011, the City of Dover was informed that we have received Universal Recycling Grant funding in the amount of $101,151 as follows:

1)	Public Information & Education for Customers	-	$ 15,000.00
2)	"Schedule Change" Flyers Reimbursment	-	$ 3,115.00
3)	Curbside Recycling Container Labels (Qty. = 15,250)	-	$ 2,798.00
4)	Purchase of 1,782 wheeled recycling carts	-	$ 80,238.00
Total:			$ 101,151.00

Staff is requesting authorization to execute the reimbursement agreement labeled as Attachment A and begin the work associated with the agreement. The City of Dover expended funds in FY-2011 for the purchase of wheeled recycling containers, curbside recycling container labels and "Schedule Change" flyers. All of these expenses related to the implementation of the curbside program and will be eligible for reimbursement once the agreement has been signed. These expenses are part of the funds identified in 2), 3) and 4) listed above.

RECYCLING SERVICES REIMBURSEMENT AGREEMENT
Contract# 11-URG025

This Agreement ("Agreement") is entered into as of January 24, 2011 ("Effective Date") and will end on March 15, 2013, by and between the State of Delaware, Department of Natural Resources and Environmental Control, Division of Waste and Hazardous Substances, ("DELAWARE"), and CITY OF DOVER, a Delaware corporation, with offices at **15 East Loockerman, Street Dover, DE 19903**("CITY OF DOVER").

WHEREAS, DELAWARE desires to obtain certain services to aid in the implementation of Universal Recycling; and

WHEREAS, CITY OF DOVER desires to provide such services to DELAWARE on the terms set forth below;

WHEREAS, DELAWARE and CITY OF DOVER represent and warrant that each party has full right, power and authority to enter into and perform under this Agreement;

FOR AND IN CONSIDERATION OF the premises and mutual agreements herein, DELAWARE and CITY OF DOVER agree as follows:

1. Services.

1.1 CITY OF DOVER shall perform for DELAWARE the services specified in the Appendices to this Agreement, attached hereto and made a part hereof as Appendix A.

1.2 Any conflict or inconsistency between the provisions of the following documents shall be resolved by giving precedence to such documents in the following order: (a) this Agreement (including any amendments or modifications thereto); (b) DELAWARE's request for grant applications, attached hereto as Appendix B; and (c) CITY OF DOVER's response to the request for grant applications, attached hereto as Exhibit A. The aforementioned documents are specifically incorporated into this Agreement and made a part hereof.

1.3 DELAWARE may, at any time, by written order, make changes in the scope of this Agreement and in the services or work to be performed. No services for which additional compensation may be charged by CITY OF DOVER shall be furnished without the written authorization of DELAWARE. When DELAWARE desires any addition or deletion to the deliverables or a change in the Services to be provided under this Agreement, it shall notify CITY OF DOVER, who shall then submit to DELAWARE a "Change Order" for approval authorizing said change. The Change

ATTACHMENT A

Order shall state whether the change shall cause an alteration in the price or the time required by CITY OF DOVER for any aspect of its performance under this Agreement. Pricing of changes shall be consistent with those established within this Agreement.

1.4 CITY OF DOVER will not be required to make changes to its scope of work that result in CITY OF DOVER's costs exceeding the current unencumbered budgeted appropriations for the services. Any claim of either party for an adjustment under Section 1 of this Agreement shall be asserted in the manner specified in the writing that authorizes the adjustment.

2. Payment for Services and Expenses.

2.1 The term of the initial contract shall be from January 24, 2011 through March 15, 2013.

2.2 DELAWARE will pay CITY OF DOVER for the performance of services described in Appendix A, Scope of Work. The reimbursement will be paid in accordance with the payment schedule attached hereto as part of Appendix A.

2.3 DELAWARE's obligation to pay CITY OF DOVER for the performance of services described in Appendix A, Scope of Work will not exceed the fixed reimbursement amount of **$101,151.00**. It is expressly understood that the work defined in the appendices to this Agreement must be completed by CITY OF DOVER and it shall be CITY OF DOVER's responsibility to ensure that hours and tasks are properly budgeted so that all services are completed for the agreed upon fixed reimbursement amount. DELAWARE's total liability for all charges for services that may become due under this Agreement is limited to the total maximum expenditure(s) authorized in DELAWARE's purchase order(s) to CITY OF DOVER.

2.4 CITY OF DOVER shall submit invoices to DELAWARE in sufficient detail to support the services provided during the reimbursement period which is from the start of this contract until September 15, 2011. DELAWARE agrees to pay those invoices within thirty (30) days of receipt. In the event DELAWARE disputes a portion of an invoice, DELAWARE agrees to pay the undisputed portion of the invoice within thirty (30) days of receipt and to provide CITY OF DOVER a detailed statement of DELAWARE's position on the disputed portion of the invoice within thirty (30) days of receipt. DELAWARE's failure to pay any amount of an invoice that is not the subject of a good-faith dispute within thirty (30) days of receipt shall entitle CITY OF DOVER to charge interest on the overdue portion at no more than 1.0% per month or 12% per annum. All payments should be sent to CITY OF DOVER, **15 East Loockerman Street, Dover, DE 19903.**

2.5 Unless provided otherwise in an Appendix, all expenses incurred in the performance of the services are to be paid by CITY OF DOVER. If an Appendix specifically provides for expense reimbursement, CITY OF DOVER shall be reimbursed only for the defined reimbursements included in Appendix A incurred by CITY OF DOVER in the performance of the services.

2.6 DELAWARE is a sovereign entity, and shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable as a consequence of this Agreement.

2.7 DELAWARE shall subtract from any payment made to CITY OF DOVER all damages, costs and expenses caused by CITY OF DOVER's negligence, resulting from or arising out of errors or omissions in CITY OF DOVER's services, which have not been previously paid to CITY OF DOVER.

2.8 Invoices shall be submitted to:
Delaware Department of Natural Resources
And Environmental Control
Division of Waste and Hazardous Substances
89 Kings Highway
Dover, DE 19901
Attn: Heather Pellrin

3. Responsibilities of CITY OF DOVER.

3.1 CITY OF DOVER shall be responsible for the quality, timely completion, and coordination of all services furnished by CITY OF DOVER, its subcontractors and their principals, officers, employees and agents under this Agreement. In performing the specified services, CITY OF DOVER shall follow practices consistent with generally accepted standards in the recycling industry and those specified herein. If any service, product or deliverable furnished pursuant to this Agreement does not conform to those standards, CITY OF DOVER shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform to such standards. CITY OF DOVER shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to DELAWARE caused by CITY OF DOVER's failure to ensure compliance with the foregoing standards.

3.2 It shall be the duty of CITY OF DOVER to assure that all services are properly rendered and in conformance with all pertinent Federal, State and Local statutes,

codes, ordinances, resolutions and other regulations.

3.3 Permitted or required approval by DELAWARE of any products or services furnished by CITY OF DOVER shall not in any way relieve CITY OF DOVER of responsibility for the adequacy of its work. DELAWARE's review, approval, acceptance, or payment for any of CITY OF DOVER's services herein shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CITY OF DOVER shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to DELAWARE caused by CITY OF DOVER's performance or failure to perform under this Agreement.

3.4 CITY OF DOVER shall furnish to DELAWARE's designated representative copies of all correspondence to regulatory agencies for review prior to mailing such correspondence.

3.5 CITY OF DOVER agrees that its officers and employees will cooperate with DELAWARE in the performance of services under this Agreement and will be available for consultation with DELAWARE at such reasonable times with advance notice as to not conflict with their other responsibilities.

3.6 CITY OF DOVER has or will retain such employees as it may need to perform the services required by this Agreement. Such employees shall not be employed by DELAWARE or any other political subdivision of DELAWARE.

3.7 CITY OF DOVER will not use DELAWARE's name, either express or implied, in any of its advertising or sales materials without DELAWARE's express written consent.

3.8 The rights and remedies of DELAWARE provided for in this Agreement are in addition to any other rights and remedies provided by law.

4. Time Schedule.

4.1 A project schedule is included in Appendix A.

4.2 Any delay of services or change in sequence of tasks must be approved in writing by DELAWARE.

4.3 In the event that CITY OF DOVER fails to complete the project or any phase thereof within the time specified in the Contract, or with such additional time as may be granted in writing by DELAWARE, or fails to prosecute the work, or any

separable part thereof, with such diligence as will insure its completion within the time specified in this Agreement or any extensions thereof, DELAWARE shall suspend the payments scheduled as set forth in Appendix A.

5. State Responsibilities.

5.1 In connection with CITY OF DOVER's provision of the Services, DELAWARE shall perform those tasks and fulfill those responsibilities specified in the appropriate Appendices.

5.2 DELAWARE agrees that its officers and employees will cooperate with CITY OF DOVER in the performance of services under this Agreement and will be available for consultation with CITY OF DOVER at such reasonable times with advance notice as to not conflict with their other responsibilities.

5.3 The services performed by CITY OF DOVER under this Agreement shall be subject to review for compliance with the terms of this Agreement by DELAWARE's designated representatives. DELAWARE representatives may delegate any or all responsibilities under the Agreement to appropriate staff members, and shall so inform CITY OF DOVER by written notice before the effective date of each such delegation.

5.4 The review comments of DELAWARE's designated representatives may be reported in writing as needed to CITY OF DOVER. It is understood that DELAWARE's representatives' review comments do not relieve CITY OF DOVER from the responsibility for the adequacy of all services provided under this Agreement.

5.5 DELAWARE shall, without charge, furnish to or make available for examination or use by CITY OF DOVER as it may request, any data which DELAWARE has available, including as examples only and not as a limitation:

a. Copies of reports, surveys, records, and other pertinent documents;
b. Copies of previously prepared reports, job specifications, surveys, records, ordinances, codes, regulations, other document, and information related to the services specified by this Agreement.

CITY OF DOVER shall return any original data provided by DELAWARE.

5.6 DELAWARE shall assist CITY OF DOVER in obtaining data on documents from public officers or agencies and from private citizens and business firms whenever such material is necessary for the completion of the services specified by this Agreement.

5.7 CITY OF DOVER will not be responsible for accuracy of information or data supplied by DELAWARE or other sources to the extent such information or data would be relied upon by a reasonably prudent CITY OF DOVER employee.

5.8 DELAWARE agrees not to use CITY OF DOVER name, either express or implied, in any of its advertising or sales materials. CITY OF DOVER reserves the right to reuse the nonproprietary data and the analysis of industry-related information in its continuing analysis of the industries covered.

6. Confidential Information.

To the extent permissible under 29 *Del. C.* § 10001, et seq., the parties to this Agreement shall preserve in strict confidence any information, reports or documents obtained, assembled or prepared in connection with the performance of this Agreement.

7. Warranty.

CITY OF DOVER warrants that its services will be performed in a good and workmanlike manner. CITY OF DOVER agrees to re-perform any work not in compliance with this warranty brought to its attention within a reasonable time after that work is performed.

8. Indemnification; Limitation of Liability.

CITY OF DOVER shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of CITY OF DOVER, its agents or employees, or (B) CITY OF DOVER breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) CITY OF DOVER shall have been notified promptly in writing by DELAWARE of any notice of such claim; and (ii) CITY OF DOVER shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

9. Employees.

9.1 CITY OF DOVER has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by CITY OF DOVER in the performance of the services hereunder.

9.2 Except as the other party expressly authorizes in writing in advance, neither party shall solicit, offer work to, employ, or contract with, whether as a partner, employee or independent CITY OF DOVER, directly or indirectly, any of the other party's Personnel during their participation in the services or during the twelve (12) months thereafter. For purposes of this Section 9.2, "Personnel" includes any individual or company a party employs as a partner, employee or independent CITY OF DOVER and with which a party comes into direct contact in the course of the services.

10. Independent Contractor.

10.1 It is understood that in the performance of the services herein provided for, CITY OF DOVER shall be, and is, an independent contractor, and is not an agent or employee of DELAWARE and shall furnish such services in its own manner and method except as required by this Agreement. CITY OF DOVER shall be solely responsible for, and shall indemnify, defend and save DELAWARE harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

10.2 CITY OF DOVER acknowledges that CITY OF DOVER and any subcontractors, agents or employees employed by CITY OF DOVER shall not, under any circumstances, be considered employees of DELAWARE, and that they shall not be entitled to any of the benefits or rights afforded employees of DELAWARE, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits. DELAWARE will not provide or pay for any liability or medical insurance, retirement contributions or any other benefits for or on behalf of DELAWARE or any of its officers, employees or other agents.

10.3 CITY OF DOVER shall be responsible for providing liability insurance for its personnel.

10.4 As an independent contractor, CITY OF DOVER has no authority to bind or commit DELAWARE. Nothing herein shall be deemed or construed to create a joint venture, partnership, and fiduciary or agency relationship between the parties for any purpose.

11. Suspension.

11.1 DELAWARE may suspend performance by CITY OF DOVER under this Agreement for such period of time as DELAWARE, at its sole discretion, may prescribe by providing written notice to CITY OF DOVER at least 30 working days prior to the date on which DELAWARE wishes to suspend. Upon such suspension, DELAWARE shall pay CITY OF DOVER its compensation, based on the percentage of the recycling services provided until the effective date of suspension, less all previous payments. CITY OF DOVER shall not provide further services under this Agreement after the effective date of suspension until receipt of written notice from DELAWARE to resume performance.

11.2 In the event DELAWARE suspends performance by CITY OF DOVER for any cause other than the error or omission of CITY OF DOVER, for an aggregate period in excess of 30 days, CITY OF DOVER shall be entitled to an equitable adjustment of the compensation payable to CITY OF DOVER under this Agreement to reimburse CITY OF DOVER for additional costs occasioned as a result of such suspension of performance by DELAWARE based on appropriated funds and approval by DELAWARE.

12. Termination.

12.1 This Agreement may be terminated in whole or in part by either party in the event of substantial failure of the other party to fulfill its obligations under this Agreement through no fault of the terminating party; but only after the other party is given:

a. Not less than 30 calendar days written notice of intent to terminate; and
b. An opportunity for consultation with the terminating party prior to termination.

12.2 This Agreement may be terminated in whole or in part by DELAWARE for its convenience, but only after CITY OF DOVER is given:

a. Not less than 30 calendar days written notice of intent to terminate; and
b. An opportunity for consultation with DELAWARE prior to termination.

12.3 If termination for default is effected by DELAWARE, DELAWARE will pay CITY

OF DOVER that portion of the compensation which has been earned as of the effective date of termination but:

a. No amount shall be allowed for anticipated profit on performed or unperformed services or other work, and

b. Any payment due to CITY OF DOVER at the time of termination may be adjusted to the extent of any additional costs occasioned to DELAWARE by reason of CITY OF DOVER default.

c. Upon termination for default, DELAWARE may take over the work and prosecute the same to completion by agreement with another party or otherwise.

12.4 If after termination for failure of CITY OF DOVER to fulfill contractual obligations it is determined that CITY OF DOVER has not so failed, the termination shall be deemed to have been effected for the convenience of DELAWARE.

12.5 The rights and remedies of DELAWARE and CITY OF DOVER provided in this section are in addition to any other rights and remedies provided by law or under this Agreement.

12.6 Gratuities.

12.6.1 DELAWARE may, by written notice to CITY OF DOVER, terminate this Agreement if it is found after notice and hearing by DELAWARE that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by CITY OF DOVER or any agent or representative of CITY OF DOVER to any officer or employee of DELAWARE with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or making of any determinations with respect to the performance of this Agreement.

12.6.2 In the event this Agreement is terminated as provided in 12.6.1 hereof, DELAWARE shall be entitled to pursue the same remedies against CITY OF DOVER it could pursue in the event of a breach of this Agreement by CITY OF DOVER.

12.6.3 The rights and remedies of DELAWARE provided in Section 12.6 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

13. Severability.

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

14. Assignment; Subcontracts.

14.1 CITY OF DOVER acknowledges that certain capital assets to be used pursuant to this agreement were purchased with a grant provided pursuant to 7 *Del. C.* § 6053. CITY OF DOVER shall not sell, assign, or otherwise transfer title or any interest in any equipment including but not limited to recycling trucks; trailers; tippers; or recycling collection containers that were purchased with such grant to any third party that is not subject to the rate cap set forth in 7 *Del. C.* § 6053 or that has not, 30 days prior to completion of any transfer of interest in such equipment, agreed to be subject to that cap.

14.2 Services specified by this Agreement shall not be subcontracted by CITY OF DOVER, without prior written approval of DELAWARE.

14.3 Approval by DELAWARE of CITY OF DOVER request to subcontract or acceptance of or payment for subcontracted work by DELAWARE shall not in any way relieve CITY OF DOVER of responsibility for the adequacy of the work. All subcontractors shall adhere to all applicable provisions of this Agreement.

14.4 CITY OF DOVER shall be and remain liable for all damages to DELAWARE caused by negligent performance or non-performance of work under this Agreement by CITY OF DOVER, its subcontractor or its sub-subcontractor.

14.5 The compensation due shall not be affected by DELAWARE's approval of CITY OF DOVER, request to subcontract.

15. Force Majeure.

Neither party shall be liable for any delays or failures in performance due to circumstances beyond its reasonable control.

16. Non-Appropriation of Funds.

16.1 Validity and enforcement of this Agreement is subject to appropriations by the General Assembly of the specific funds necessary for contract performance. Should such funds not be so appropriated DELAWARE may immediately terminate this Agreement, and absent such action this Agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available, at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.

16.2 Notwithstanding any other provisions of this Agreement, this Agreement shall terminate and DELAWARE's obligations under it shall be extinguished at the end of the fiscal year in which DELAWARE fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which will then become due.

17. State of Delaware Business License.

CITY OF DOVER and all subcontractors represent that they are properly licensed and authorized to transact business in the State of Delaware as provided in 30 *Del. C.* § 2301.

18. Complete Agreement.

18.1 This agreement and its Appendices shall constitute the entire agreement between DELAWARE and CITY OF DOVER with respect to the subject matter of this Agreement and shall not be modified or changed without the express written consent of the parties. The provisions of this agreement supersede all prior oral and written quotations, communications, agreements and understandings of the parties with respect to the subject matter of this Agreement.

18.2 If the scope of any provision of this Agreement is too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the Agreement shall not thereby fail, but the scope of such provision shall be curtailed only to the extent necessary to conform to the law.

18.3 CITY OF DOVER may not order any product requiring a purchase order prior to DELAWARE's issuance of such order. Each Appendix, except as its terms otherwise expressly provide, shall be a complete statement of its subject matter and shall supplement and modify the terms and conditions of this Agreement for the purposes of that engagement only. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the

parties hereto with respect to the subject matter hereof.

19. Miscellaneous Provisions.

19.1 In performance of this Agreement, CITY OF DOVER shall comply with all applicable federal, state and local laws, ordinances, codes and regulations. CITY OF DOVER shall solely bear the costs of permits and other relevant costs required in the performance of this Agreement.

19.2 Neither this Agreement nor any appendix may be modified or amended except by the mutual written agreement of the parties. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against which it is sought to be enforced.

19.3 The delay or failure by either party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

19.4 CITY OF DOVER covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CITY OF DOVER further covenants, to its knowledge and ability, that in the performance of said services no person having any such interest shall be employed.

19.5 CITY OF DOVER acknowledges that DELAWARE has an obligation to ensure that public funds are not used to subsidize private discrimination. CITY OF DOVER recognizes that if they refuse to hire or do business with an individual or company due to reasons of race, color, gender, ethnicity, disability, national origin, age, or any other protected status, DELAWARE may declare CITY OF DOVER in breach of the Agreement, terminate the Agreement, and designate CITY OF DOVER as non-responsible.

19.6 CITY OF DOVER warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, DELAWARE shall have the right to annul this contract without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

19.7 This Agreement was drafted with the joint participation of both parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof.

19.8 CITY OF DOVER shall maintain all public records, as defined by 29 *Del. C.* § 502(7), relating to this Agreement for the time and in the manner specified by the Delaware Division of Archives, pursuant to the Delaware Public Records Law, 29 *Del. C.* Ch. 5. During the term of this Agreement, authorized representatives of DELAWARE may inspect or audit CITY OF DOVER performance and records pertaining to this Agreement at CITY OF DOVER business office during normal business hours.

20. Insurance.

20.1 CITY OF DOVER shall maintain the following insurance during the term of this Agreement:

A. Worker's Compensation as required by law, **and**

B. General liability Insurance: bodily injury $300,000 per occurrence; property damage: $100,000 per occurrence, **and**

C. Automobile liability: $350,000 combined bodily injury and property damage per occurrence.

D. CITY OF DOVER shall provide forty-five (45) days written notice of cancellation or material change of any policies.

20.2 Before any work is done pursuant to this Agreement, the Certificate of Insurance and/or copies of the insurance policies, referencing the contract number stated herein, shall be filed with the State. The certificate holder is as follows: CITY OF DOVER.

20.3 In no event shall the State of Delaware be named as an additional insured on any policy required under this agreement.

21. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, except where Federal Law has precedence. CITY OF DOVER consents to jurisdiction venue in the State of Delaware.

22. Notices.

Any and all notices required by the provisions of this Agreement shall be in writing and shall be mailed, certified or registered mail, return receipt requested. All notices shall be sent to the following addresses:

TO DELAWARE:
Department of Natural Resources and Environmental Control
Division of Waste and Hazardous Substances
89 Kings Highway
Dover, DE 19901
Attn: Heather Pellrin

TO CITY OF DOVER:
15 East Loockerman Street
Dover, DE 19903
Attn: Scott Koenig

SIGNATURE PAGE TO FOLLOW

STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES
AND ENVIRONMENTAL CONTROL

_____
Collin P. O'Mara, Secretary

STATE OF _____

COUNTY OF _____, to wit:

I, _____, a Notary Public in and for said County and State, do certify that _____ in his/her official capacity as _____ has this day acknowledged the same before me in said County.

Given under my hand and seal of office seal this _____ day of_____, _____ .

_____
Notary Public

CITY OF DOVER

_____
Scott Koenig, Public Services Manager

STATE OF _____

COUNTY OF _____, to wit:

I, _____, a Notary Public in and for said County and State, do certify that _____ in his/her official capacity as _____ has this day acknowledged the same before me in said County.

Given under my hand and seal of office seal this _____ day of_____, _____.

_____
Notary Public

Appendix A

Scope of Work

CITY OF DOVER shall comply with all items outlined below and submit to DELAWARE sufficient supporting documents, in DELAWARE'S sole discretion, for reimbursement of funds as listed below prior to September 15, 2011 for implementation of Universal Recycling. Total reimbursement is not to exceed **$101,151.00**.

1. Grant Activities

CITY OF DOVER shall:

A) In accordance with 7 *Del. C.* § 6053 ("Universal Recycling"), implement a curbside recycling collection program for all their single-family residential waste customers and all their waste customers that are dealers with on-premise sales by no later than September 15, 2011. Such a program shall include, but not be limited to:
   a. Delivery of a container to each customer for the purpose of storage and collection of recyclables. Said container shall be adequately sized for the customer's use such that recycling is encouraged and disposal of recyclables is discouraged; and
   b. Recyclables collection service to each single-family residential customer at a frequency of not less than once every other week and to dealers with on-premise sales at a frequency that prevents containers overflowing or creating a nuisance; and
   c. A single charge on the waste services bill that includes the combined waste and recycling collection service costs; and
   d. Notification to each customer including instructions on participation.

B) Not increase rates charged for solid waste collections, which were in effect as of January 24, 2011 until March 15, 2013 as a result of implementation of Universal Recycling.

C) Provide the following statement in each customer's bill for every billing cycle until March 15, 2013: *"We, CITY OF DOVER, are a recipient of funding from the Universal Recycling Grant and Low-Interest Loan Program and pursuant to 7 Del. C. §6055 (d), shall not increase our rates charged for waste services collection from January 24, 2011 to March 15, 2013 as a result of implementing Universal Recycling"*.

D) Provide printed materials to each of the CITY OF DOVER's waste service customers and DELAWARE will reimburse CITY OF DOVER for this expense in an amount not to exceed $**15,000**. The flyers shall educate all of CITY OF DOVER's waste service customers and staff as well as the CITY OF DOVER's local school district on the benefits of recycling and instructions on participation.

E) Provide printed *"Schedule Change"* flyers to all CITY OF DOVER residents whom will be facing a change in their pre-existing recycling schedule. DELAWARE will reimburse CITY OF DOVER for this expense in an amount not to exceed $**3,115.00.**

F) Purchase **15,250** and affix Curbside Recycling labels to all new and pre-existing recycling containers provided by the CITY OF DOVER to its residents. DELAWARE shall reimburse for this expense in an amount not to exceed $**2,798.00.** All labels must

contain information pertaining to Universal Recycling and the CITY OF DOVER's contact information.

G) Provide DELAWARE the opportunity to review and edit any informational materials, which are intended to be funded in whole or in part by this grant, at least thirty (30) days before distribution or publication. The review will consider the accuracy of the information proposed. DELAWARE will not unreasonably withhold approval to distribute or publish.

H) Purchase and deliver a minimum of **1,782** wheeled recycling carts, in sizes ranging from 35 to 95 gallons, to CITY OF DOVER's waste services customers. These recycling carts shall be distinguishable from other waste or "trash" containers and shall be used expressly for the storage and collection of recyclables from CITY OF DOVER's customers in accordance with 1.A) above. DELAWARE shall not reimburse CITY OF DOVER in excess of **$80,238.00** for all costs related to this item.

2. Reimbursement

A) CITY OF DOVER shall request reimbursement for allowable expenditures incurred in implementing grant activities. This shall be done by submitting a Progress Report and Reimbursement Request Form (provided by DELAWARE) itemizing expenditures for payment by DELAWARE out of the grant monies awarded. Copies of receipts shall accompany the reimbursement request. The matching funds portion of the grant reimbursement form shall also be completed in order for the reimbursement request to be considered complete. Reimbursement requests may be withheld if the request is considered incomplete.

B) It is the intent of DELAWARE to issue a one-time reimbursement for all of the funds awarded under this grant following the completion of the activities listed in this Appendix. Approval for a split payment shall be received prior to request for reimbursement and will be considered on a case by case basis in the DEPARTMENT's sole discretion. CITY OF DOVER shall prove to the DEPARTMENT's satisfaction that without a split payment, an extraordinary financial hardship will result due to waiting for reimbursement in one lump sum payment after the completion of grant activities.

C) Note: All reimbursement requests shall be received by DELAWARE no later than September 15, 2011. DELAWARE is not responsible for reimbursement of funds in excess of the grant amount or for expenditures incurred after September 15, 2011.

D) If CITY OF DOVER does not demonstrate progress towards the grant activities and requirements by **September 15, 2011**, it is in DELAWARE's discretion to return unused funds to the Delaware Recycling Fund.

3. Mailings

All notices, requests, or demands to be given by DELAWARE to CITY OF DOVER or by CITY OF DOVER to DELAWARE under the provisions of this agreement will be forwarded, by mail, properly addressed to the following respective addresses:

DELAWARE:
Delaware Department of Natural Resources and Environmental Control
Division of Waste and Hazardous Substances
89 Kings Highway
Dover, DE 19901
Attention: Heather Pellrin

CITY OF DOVER:
15 East Loockerman Street
Dover, DE 19903
Attention: Scott Koenig

4. Geographical Applicability

The Universal Recycling Grant and Low-Interest Loan Program was created to provide comprehensive recycling programs in Delaware and as such, CITY OF DOVER, shall use all funds awarded under this Program to provide recycling services only within geographic boundaries of the State of Delaware. CITY OF DOVER has reported that, at the time application was made for the Universal Recycling Grant and Low-Interest Loan Program, they had **10,000** recycling customers within the geographical boundaries of the State of Delaware and DELAWARE has based the funding award on customers reported by CITY OF DOVER as being within State of Delaware boundaries. Pursuant to 7 *Del. C.* § 6059, CITY OF DOVER understands that reporting customers who do not exist or do not receive waste collection within the State of Delaware for the purposes of receiving more funding than they would otherwise be entitled to under the Universal Recycling Grant and Low-Interest Loan Program may cause this contract to become null and void and may lead to enforcement action by DELAWARE.

5. Reporting

A) CITY OF DOVER shall submit progress reports to DELAWARE on the status of the activities listed in this Appendix no later than June 15, 2011, September 15, 2011, and December 15, 2011.

B) CITY OF DOVER shall submit a final report to DELAWARE no later than March 15, 2012 including an explanation of how the activities listed above were accomplished, or a discussion of the progress made toward accomplishment of the activity. Also, a discussion of any unexpected problems encountered, and how they were overcome; and a discussion of any unexpected expenses incurred in implementing the activities/objectives shall be included. Describe how the impact of the activities resulted in any reduction in waste disposal or increasing recycling among the target population, including the quantities of material diverted from disposal.

6. Records

CITY OF DOVER shall maintain all receipts and records related to the grant project for a minimum of three years from the expiration of this contract on March 15, 2013 or the expiration of any amendments to this contract, whichever is later, and shall make this information available to DELAWARE upon request.

7. Publication

If CITY OF DOVER chooses to pursue publication of the results of this grant, CITY OF DOVER shall provide DELAWARE the opportunity to review and edit the proposed publication at least thirty (30) days before submission for publication. The review

will consider the accuracy of the information proposed for publication and the possible disclosure of information considered by DELAWARE to be proprietary or confidential. DELAWARE will not unreasonably withhold approval to publish.

City of Dover
Capital Investment Plan
Project Tracking Report
April 30, 2011

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	$ 113,156	$ -	$ -	$ -	$ 113,156
Project Carry Forward Balances	88,083	-	953,238	850,736	1,892,057
Federal and/or State Grants	4,270,348	1,000,000	45,248	226,152	5,541,748
New Revolving Fund Loans	-	-	863,060	-	863,060
Carry Forward Construction Loan Balances	-	-	8,001,973	254,757	8,256,730
Bond Proceeds	-	-	-	415,585	415,585
Impact Fees	-	-	758,821	-	758,821
Income from Sale of Assets	-	-	-	-	-
Parkland Reserve	36,872	-	-	-	36,872
Library Reserve & Contributions	3,363,732	-	-		3,363,732
Transfer from Operating Funds	924,884	325,000	58,709	2,797,792	4,106,385
Interest Earned	10,900	-	-	40,700	51,600
Total Funding Sources (Unaudited)	$ 8,807,975	$ 1,325,000	$ 10,681,049	$ 4,585,722	$ 25,399,746

City of Dover
General Fund - Major CIP Projects
April, 2011

	Hide			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
1			**FY2009**											
2	LB0901	M/G	New Library Project	$ 18,200,000	$ 24,679,934	$ 1,764,308	$ 22,915,626	7.1%	$ 6,687,039	$ 7,630,663	$ 1,027,242	13.5%	Started	Bid Pack A - Done. Bid Pack B - Construction Started.
3			**Totals - FY09**	$ 18,200,000	$ 24,679,934	$ 1,764,308	$ 22,915,626	7.1%	$ 6,687,039	$ 7,630,663	$ 1,027,242	13.5%		
4														
5			**FY2010**											
6	PR1001		Pitts Center Addition	$ 50,000	$ 40,000	$ 28,629	$ 11,371	71.6%	$ -	$ 36,872	$ 25,501	69.2%	Complete	Complete.
7			**Totals - FY10**	$ 50,000	$ 40,000	$ 28,629	$ 11,371	71.6%	$ -	$ 36,872	$ 25,501	69.2%		
8														
9			**FY2011**											
10			Vehicles & Equipment	$ 63,675	$ 735,185	$ 515,703	$ 219,482	70.1%	$ 735,185	$ 640,440	$ 515,703	80.5%	Started	Vehicles being ordered.
11	PD1001		Core Law Enforcement Server Replacement	-	53,500	52,488	1,012	98.1%	-	53,500	52,488	98.1%	Started	Specifications done.
12	PD1101		Public Assembly Room Upgrade	-	20,000	8,000	12,000	40.0%	-	20,000	8,000	40.0%		
13	PR1101		Playground Improv Program	-	15,000	12,952	2,048	86.3%	15,000	15,000	12,952	86.3%	Complete	BB Courts paved.
14	PR1102		Skate Park	-	30,000	-	30,000	0.0%	30,000	30,000	-	0.0%	Not Started	In discussions with equipment provider
15	ST1101		Transfer to CT Fund	300,000	300,000	300,000	-	0.0%	300,000	300,000	300,000	100.0%	Started	Transfer to Com Transp Fund - December.
16	ST1102		Concrete Program	50,000	50,000	45,918	4,082	91.8%	50,000	50,000	45,918	91.8%	Started	Complete with contractor portion.
17	MR1101		Downtown Security Cameras	31,500	31,500	31,500	-	100.0%	31,500	31,500	31,500	100.0%	Started	Contract signed.
18			**Totals - FY11**	$ 445,175	$ 1,235,185	$ 966,561	$ 268,624	78.3%	$ 1,161,685	$ 1,140,440	$ 966,561	84.8%		
19														
20			**Grand Totals**	$ 18,695,175	$ 25,955,119	$ 2,759,497	$ 23,195,622	10.6%	$ 7,848,724	$ 8,807,975	$ 2,019,303	22.9%		

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 rebudgeted to start over each fiscal year.
G = Grant funded project

City of Dover
Community Transportation & General Fund Street Funds - Major CIP Projects
April, 2011

	Hide			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
1			**FY 2006**											
2	TE0601	M	Lincoln Park Center	$ 400,000	$ 479,148	$ 458,472	$ 20,676	95.7%	$ 121,891	$ 121,891	$ 101,215	83.0%	Started	Ongoing.
3			**Totals**	$ 400,000	$ 479,148	$ 458,472	$ 20,676	95.7%	$ 121,891	$ 121,891	$ 101,215	83.0%		
4														
5			**FY 2007**											
6			E. Water Street Brick	$ 65,000	$ 65,000	$ -	$ 65,000	0.0%	$ 65,000	$ 65,000	-	0.0%		Specialty contract needed.
7			**Totals**	$ 65,000	$ 65,000	$ -	$ 65,000	0.0%	$ 65,000	$ 65,000	$ -	0.0%		
8														
9			**FY 2009**											
10			Schutte Parking Lot	$ 21,950	$ 21,950	$ -	$ 21,950	0.0%	$ 21,950	$ 21,950	-	0.0%		Will try to re-program this $ into a sidewalk for Schutte Park.
11			Turnberry Drive	40,000	40,000	40,000	-	100.0%	40,000	40,000	40,000	100.0%		Curb work complete, paving in process.
12			**Totals**	$ 61,950	$ 61,950	$ 40,000	$ 21,950	64.6%	$ 61,950	$ 61,950	$ 40,000	64.6%		
13														
14			**FY 2011**											
15	CT1051		Washington Street	$ 104,000	$ 104,000	$ 104,000	$ -	100.0%	$ 104,000	$ 104,000	$ 104,000	100.0%		Complete.
16	CT1108		Mitschner Road (incl. CDBG)	169,066	272,779	246,672	26,107	90.4%	272,779	304,026	246,672	81.1%		Complete. Not all of the CT funds were used, CDBG and CDBG-R covered $134,961
17	CT1086		Delaware Ave	6,250	6,250	6,250	-	100.0%	6,250	6,250	6,250	100.0%		Complete.
18	CT1118		Oak Road Signage	11,875	11,875	10,375	1,500	87.4%	11,875	11,875	10,375	87.4%		Just received.
19	CT1142		Governor's Ave. Rebuild	1,000	1,000	-	1,000	0.0%	1,000	1,000	-	0.0%		
20	CT1161		Towne Point	7,500	7,500	-	7,500	0.0%	7,500	7,500	-	0.0%		
21	CT1162		Library Access Rd.	105,000	105,000	103,555	1,445	98.6%	105,000	120,000	103,555	86.3%		Complete. Remaining exp w/be in May.
22	ST1101		Street & Alley Program	300,000	300,000	179,271	120,729	59.8%	300,000	325,000	179,271	59.8%		In progress.
23			State Agreements not yet rec'd	458,968	346,468	-	346,468	0.0%	196,508	196,508	-	0.0%		Agreements have not been received.
24			**Totals**	$ 1,163,659	$ 1,154,872	$ 650,124	$ 504,748	56.3%	$ 1,004,912	$ 1,076,159	$ 650,124	64.7%		
25														
26			**Grand Totals**	$ 1,690,609	$ 1,760,970	$ 1,148,596	$ 612,374	65.2%	$ 1,253,753	$ 1,325,000	$ 791,339	63.1%		

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 rebudgeted to start over each fiscal year.

City of Dover
Water/Wastewater Improvement & Extension Fund - Major CIP Projects
April, 2011

				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	Comments
1			**FY 2008**											
2	WD0807		S. Gov. Ave. Water Main Upgrade	$ 200,000	$ 200,000	$ 2,664	$ 197,336	1.3%	$ -	$ 197,336	$ -	0.0%	Complete	Done. Awaiting Invoices
3	WD0804	M	1.0 MG Elevated Water Storage	4,196,600	2,590,000	15,365	2,574,635	0.6%	-	193,377	8,742	4.5%	Started	Selecting Tank Model & Site; FY13 = Constr.
4	WD0805	M	Piney Point Well	398,800	665,000	65,944	599,056	9.9%	-	162,525	13,469	8.3%	Started	DNREC permiting; FY11 = Constr.
5	WW0809	M	S. Governors Ave. Sewer Main	300,000	291,000	13,561	277,439	4.7%	-	279,244	1,805	0.6%	Complete	Done.
6	WW0810	M/SL	US 13 East Sanitary Sewer Interceptor	2,376,800	3,409,641	2,935,473	474,168	86.1%	-	2,335,862	2,067,311	88.5%	Complete	Done.
7			**Totals - FY08**	$ 7,472,200	$ 7,155,641	$ 3,033,007	$ 4,122,634	42.4%	$ -	$ 3,168,344	$ 2,091,328	66.0%		
8														
9			**FY2009**											
10	WQ0905	M/SL	Bayard Avenue	$ 590,910	$ 590,910	$ 244,909	$ 346,001	41.4%	$ -	$ 584,420	$ 238,419	40.8%	Started	Starting construction in March.
11	WQ0906	M/SL	East side N. State Street	868,707	877,596	177,178	700,418	20.2%	-	847,700	148,175	17.5%	Started	Phase one complete.
12	WQ0907	M/SL	Route 13 Water Main	1,058,700	1,035,898	164,645	871,253	15.9%	-	967,801	40,649	4.2%	Started	Going to bid. Start in May.
13		R	Water Quality Improve FY09	$ 2,518,317	$ 2,504,404	$ 586,733	$ 1,917,671	23.4%	$ -	$ 2,399,921	$ 427,243	62.5%	Started	
14														
15	WW0902	M/SL	Station	$ 386,400	$ 386,400	$ 319,767	$ 66,633	82.8%	-	240,324	174,052	72.4%	Completed	Done.
16	WW0905	M/SL	Fox Hall/Retreat Force Main Rerouting	133,100	139,245	238,789	(99,544)	171.5%	-	-	20,351	0.0%	Completed	Done. Overage covered by US 13 Interceptor (WW0810).
17	WW0907	M/SL	Acorn Lane P/S Replace.	386,400	386,400	320,133	66,267	82.9%	-	210,528	144,622	68.7%	Completed	Done.
18			**Totals - FY09**	$ 3,424,217	$ 3,416,449	$ 1,465,422	$ 1,951,027	42.9%	$ -	$ 2,850,773	$ 766,269	26.9%		
19														
20			**FY2010**											
21	WD1002	R	Remote Control & Monitor Wells	$ 55,000	$ 55,000	$ 23,104	$ 31,896	42.0%	$ -	$ 31,896	$ -	0.0%	Started	Material ordered.
22	WW1001	M/SL	Inflow/Infiltration Removal	1,800,000	1,800,000	42,396	1,757,604	2.4%	-	1,798,447	41,175	2.3%	Started	Construction to start in July.
23	WW1007	M/SL	Fox Hall Pump Station	427,900	52,000	49,337	2,663	94.9%	375,900	426,044	47,481	11.1%	Started	Out to bid.
24	WW1008	M/SL	Heatherfield Force Main Rerouting	220,400	40,000	47,288	(7,288)	118.2%	229,200	267,916	46,004	17.2%	Started	Out ot bid.
25	WW1010	I	Tar Ditch Interceptor Upgrade	518,230	518,230	17,816	500,414	3.4%	-	516,781	16,367	3.2%	Started	Reviewing design.
26	WS1001		Various Pump Motor Replace	45,248	45,248	28,877	16,371	63.8%	-	45,248	28,877	63.8%	Started	Grant approved. Ordering begun.
27			**Totals - FY10**	$ 3,066,778	$ 2,510,478	$ 208,818	$ 2,301,660	8.3%	$ 605,100	$ 3,086,332	$ 179,904	5.8%		
28														
29			**FY2011**											
30	WD1101		Misc. Disb. System Upgrade	$ 60,000	$ 60,000	$ -	$ 60,000	0.0%	$ 60,000	$ 60,000	$ -	0.0%	Started	On-going as needed.
31	WD1102		Wellhead Redevelopement	60,000	60,000	6,600.00	53,400	11.0%	60,000	60,000	6,600	11.0%	Started	Work starting in March\April.
32	WQ1101		WQI - Loockerman Street	500,000	60,000	95,244	(35,244)	158.7%	500,000	110,000	95,244	86.6%	Complete	Awaiting Final Invoices
33	WQ1102		WQI - Columbia Avenue	-	303,000	4,250.00	298,750	1.4%	-	253,000	4,250	1.7%	Not Started	Construction in FY12.
34	WQ1103		WQI - Ross Street	-	117,000	4,250.00	112,750	3.6%	-	117,000	4,250	3.6%	Not Started	Construction in FY12.
35	WQ1104		WQI - William Street	-	10,000	4,250.00	5,750	42.5%	-	10,000	4,250	42.5%	Not Started	Construction in FY12.
36	WQ1105		WQI - West Street (W. Alley)	-	10,000	4,250.00	5,750	42.5%	-	10,000	4,250	42.5%	Not Started	Construction in FY12.
37	WW1101	M/SL	Inflow/Infiltration Removal	500,000	500,000	8,344.88	491,655	1.7%	500,000	500,000	8,345	1.7%	Started	Will start after FY10 is done.
38	WW1102	R	Scada Tech. Equip. Upgrade	82,100	82,100	74,264	7,836	90.5%	82,100	82,100	74,264	90.5%	Started	4 of 7 installed.
39	WW1103		Del State/Del Tech Force Main Rerouting	286,500	286,500	333	286,167	0.1%	286,500	286,500	333	0.1%	Done	Shifted completion to interceptor (WW0810).
40	WW1104	SL	Lepore Road P/S Replacement	52,000	52,000	47,942	4,058	92.2%	52,000	52,000	47,942	92.2%	Started	Design with Braun.
41	WW1105	R	Misc. Sewer System Improve	35,000	35,000	35,152	(152)	100.4%	35,000	35,000	35,152	100.4%	Started	Ongoing as needed.
42			**Totals - FY11**	$ 1,575,600	$ 1,575,600	$ 278,280	$ 1,290,720	17.7%	$ 1,575,600	$ 1,575,600	$ 284,880	18.1%		
43														
44			**Grand Totals**	$ 15,538,795	$ 14,658,168	$ 4,985,527	$ 9,666,041	34.0%	$ 2,180,700	$ 10,681,049	$ 3,322,381	31.1%		

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 rebudgeted to start over each fiscal year.
SL = State Loan Project - construction phase is financed
I = Impact Fee Financed Project

City of Dover
Electric Improvement & Extension Fund - Major CIP Projects
April, 2011

				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
1			**FY 2006**											
2	EE0601	M/B	69 KV feeders 3 and 4	$ 11,060,000	$ 8,693,782	$ 8,761,762	$ (67,980)	100.8%	$ -	$ 4,242	$ 4,242	100.0%	Completed	In service.
3	EE0603	M/S	Governor's Avenue Rebuild	1,268,450	2,068,260	552,362	1,515,898	26.7%	-	250,000	31,901	12.8%	Completed	Done.
4			**Totals - FY06**	$ 12,328,450	$ 10,762,042	$ 9,314,123	$ 1,447,919	86.5%	$ -	$ 254,242	$ 36,143	14.2%		
5														
6			**FY 2008**											
7	EG0801		Unit 3 Turb Bearing Fire Protect [	$ 50,000	$ 50,000	$ 44,720	$ 5,280	89.4%	$ -	$ 50,000	$ 44,720	89.4%	Completed	
8			**Totals - FY08**	$ 50,000	$ 50,000	$ 44,720	$ 5,280	89.4%	$ -	$ 50,000	$ 44,720	89.4%		
9														
10			**FY2010**											
11	EG1001	B	Vansant CT Mark IV Control	$ 700,000	$ 610,000	$ 438,687	$ 171,313	71.9%	-	$ 152,050	$ 152,050	100.0%	Completed	In service.
12	EG1002	B	McKee Run Entrance Road	240,000	240,000	154,722	85,278	64.5%	-	154,244	154,244	100.0%	Completed	In service.
13	EG1005		Work Mgmt. System Replace	85,000	85,000	26,577	58,423	31.3%	-	-	9,859	0.0%	Completed	Done.
14	EG1009		Photovoltaic Install @ McKee	-	65,065	65,065	-	100.0%	-	65,065	65,065	100.0%	Completed	In service.
15	EE1005	M/B	Mid City Substation	1,488,461	993,711	975,819	17,892	98.2%	-	1,087	1,087	100.0%	Completed	In service.
16	EE1009	S	LED Lighting Replacement	70,087	70,010	70,010	0	100.0%	-	70,010	70,010	100.0%	Completed	Installed on Division.
17	EU1002	B	Crossgates	396,904	543,075	524,391	18,684	96.6%	-	1,441	1,440	100.0%	Completed	Done.
18	EU1003	B	Buchanan Acres	406,000	1,094,646	1,207,967	(113,321)	110.4%	-	129,502	129,502	100.0%	Completed	Done.
19														
20			**Totals - FY10**	$ 3,386,452	$ 3,701,507	$ 3,463,238	$ 238,269	93.6%	$ -	$ 573,399	$ 583,257	101.7%		
21														
22			**FY2011**											
23	---		Vehicles & Equipment	$ 158,200	$ 158,200	$ 113,437	$ 44,763	71.7%	$ 158,200	$ 158,200	$ 113,437	71.7%	Started	Vehicles being ordered.
24	EE1101		Substation PT & CT Replace	256,218	256,218	216,932	39,286	84.7%	256,218	256,218	216,932	84.7%	Started	Material being received.
25	EE1102		Replace of 69 kV Breakers	100,000	100,000	98,292	1,708	98.3%	100,000	100,000	98,292	98.3%	Completed	Installed.
26	EE1103		Lighting Rehabilitation	100,000	107,645	107,644	1	100.0%	100,000	107,645	107,644	100.0%	Completed	Fox Hall done.
27	EE1104		Walker Road OH Conversion	350,511	-	-	-	0.0%	350,511	-	-	0.0%	Dropped	Funds reappropriated.
28	EE1105		Engineering Misc Equip. Replace	40,000	40,000	26,126	13,874	65.3%	40,000	40,000	26,126	65.3%	Started	Ongoing as needed.
29	EE1106		Substation Batteries	24,500	24,500	23,489	1,011	95.9%	24,500	24,500	23,489	95.9%	Completed	Done.
30	EE1107		Wyoming Mill Road Realignment	-	91,000	47,877	43,123	0.0%	-	91,000	47,877	52.6%	Started	Electric line relocation.
31	EE1111		UG Transformers	120,536	120,536	99,458	21,078	82.5%	120,536	120,536	99,458	82.5%	Started	Ongoing as needed.
32	EE1111		UG Conductors	529,464	521,896	257,621	264,275	49.4%	529,464	521,896	257,621	49.4%	Started	Ongoing as needed.
33	EE1111		Meters	50,000	50,000	52,151	(2,151)	104.3%	50,000	50,000	52,151	104.3%	Started	Ongoing as needed.
34	EE1112		69kV Sub Switch Replacement	-	180,000	-	180,000	0.0%	-	180,000	-	0.0%	Not Started	Construction in FY12.
35	EG1101		Unit 3 Cooling Tower Fill	353,338	398,338	371,513	26,825	93.3%	353,338	398,338	371,513	93.3%	Completed	Done.
36	EG1102		Units 1 & 2 Cooling Tower	218,730	173,730	70,280	103,450	40.5%	218,730	173,730	70,280	40.5%	Completed	Done.
37	EG1103		Unit 3 Tubine Inspection	348,000	-	-	-	0.0%	348,000	-	-	0.0%	Started	Construction in FY12.
38	EG1104		Unit 3 Aux System Components	113,000	-	-	-	0.0%	113,000	-	-	0.0%	Deferred	Defered to FY12.
39	EG1105		Plant Misc Equipment Replmnt	71,000	77,000	66,051	10,949	85.8%	71,000	77,000	66,051	85.8%	Started	Ongoing as needed.
40	EG1106		Unit 3 Stack Repairs	25,000	-	-	-	0.0%	25,000	-	-	0.0%	Deffered	Defered to FY12.
41	EG1107		Units 1 & 2 Life Extension	276,000	225,000	41,876	183,124	18.6%	276,000	225,000	41,876	18.6%	Started	In Progress
42	EG1108		Unit 1 Turbine Outage	-	412,000	424,747	(12,747)	0.0%	-	412,000	424,747	103.1%	Completed	Emergency repair
43	EG1109		Unit 3 FD & ID FAN CNRL UP	45,000	-	-	-	0.0%	45,000	-	-	0.0%	Deferred	Next fiscal year.
44	EG1110		Unit 3 DCS Com & Software	30,000	-	-	-	0.0%	30,000	-	-	0.0%	Deffered	Next fiscal year.
45	EG1111		Unit 2 Boiler Inspection & Repair	-	124,000	111,523	12,477	89.9%	-	124,000	111,523	89.9%	Completed	Emergency repair.
46	EG1112		Unit 3 Heat Expansion Joint	-	65,000	44,034	20,966	67.7%	-	65,000	44,034	67.7%	Started	Started with spring outage.
47	EG1113		Units 1 & 2 Control Modifications	-	150,000	87,976	62,024	58.7%	-	150,000	87,976	58.7%	Started	Started with spring outage.
48	EG1114		Unit 3 Gas Line Modification	-	60,000	12,933	47,067	21.6%	-	60,000	12,933	21.6%	Started	Started with spring outage.
49	EU1101		Distribution Upgrades	400,000	373,018	359,353	13,665	96.3%	400,000	373,018	359,353	96.3%	Started	Ongoing as needed.
50				$ 3,609,497	$ 3,708,081	$ 2,633,314	$ 1,074,767	71.0%	$ 3,609,497	$ 3,708,081	$ 2,633,314	71.0%		
51														
52			**Grand Totals**	$ 19,374,399	$ 18,221,630	$ 15,455,395	$ 2,766,235	84.8%	$ 3,609,497	$ 4,585,722	$ 3,297,433	71.9%		

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 rebudgeted to start over each fiscal year.
B = Bonded Project
S = State fully or partially reimbursed project

4401 Fair Lakes Court
Fairfax, VA 22033 USA
Phone: 1.703.818.9100
www.paceglobal.com

City of Dover

April Monthly Report

Energy and Operations Management

May 26, 2011

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Further, certain statements, findings and conclusions in this Report are based on Pace Global's interpretations of various contracts. Interpretations of these contracts by legal counsel or a jurisdictional body could differ.

PACE GLOBAL

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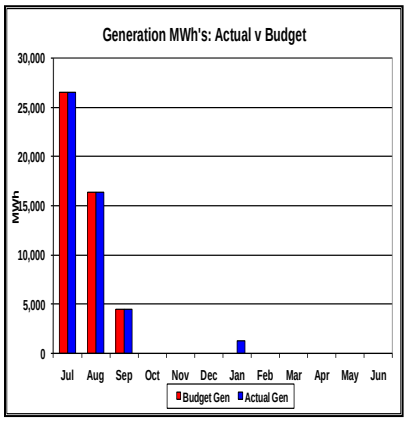
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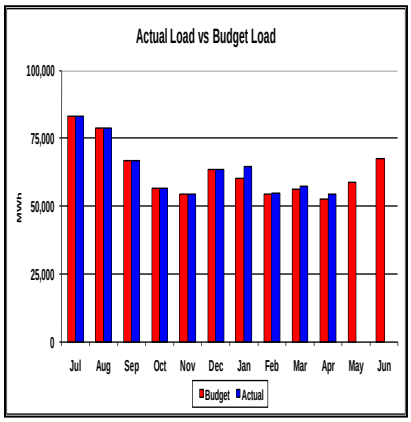
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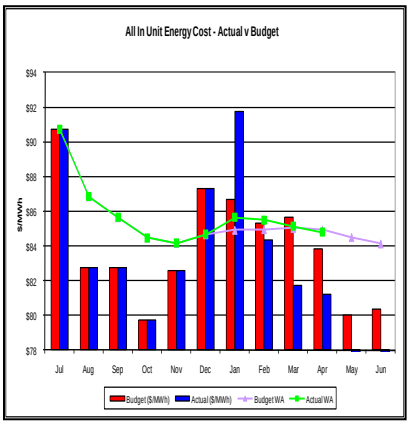
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1.0 – EXECUTIVE SUMMARY







Purchased Power Management

Wholesale load for the month of April was 54,359 MWhs, versus a weather normalized projected load of 52,554 MWhs. Hedged transactions accounted for 49,920 MWhs or 92% of this volume (95% of forecasted load) at a cost of $3.48 million. Spot Market purchases resulted in a PJM charge of $388 thousand (a $372 thousand charge in the Day Ahead market and a $16 thousand charge in the Real Time market). Other PJM related charges accounted for an additional cost of $1.41 million, inclusive of all load related fees. The April Energy Only Unit Cost, excluding capacity obligations and credits, was $2.65/MWh favorable compared to the budgeted value of $83.85/MWh. On January 24, 2011, the City of Dover reviewed and approved Pace's and NAES' submittal of a revised budget for Dover's FY2010-11 (the "Reset Budget"). The purpose of this Reset Budget was to provide a mid-year update as to the anticipated cost-of-service for FY2010-11. Dover's projected all in Cost of Service for FY2010-11 is $88.64/MWh, or $1.88/MWh favorable as compared to the Reset Budget[1].

Generation and Asset Management

For the month of April the McKee Run and Van Sant units were not dispatched into the PJM market. A relatively low average for on-peak LMPs during the month demonstrated that the PJM system did not generally require support from peaking units. The McKee units started a planned outage on March 28 that will last until May23. The budget did not project any generation for this month.

Emissions Allowance Management

[1] The projected all in Cost of Service is based on YTD actual results for 10 months and 2 months of projected costs. The Reset Budget was reviewed and approved by City of Dover.

Given the regulatory uncertainty surrounding the allowance markets, Dover has elected not to include revenues from emission allowance sales in its 2010-2011 fiscal year budget. Dover purchased and retired 53 NO_X seasonal allowances on November 23rd 2010, in order to meet their 2010 NO_X seasonal compliance position. Additionally, Dover purchased 22 NO_X annual allowances on February 11, 2011, in order to cover their 2010 NO_X annual compliance position. In January 2011, Dover was allocated 1,988 SO_2 allowances, 42 NO_X seasonal allowances, and 76 NO_X annual allowances. Dover has the appropriate number of allowances were set aside for retirement (see Exhibit 1).

Exhibit 1: Emissions and Allowance Summary through April 30, 2011

2010-2011 EMISSIONS & ALLOWANCE SUMMARY								
		SO_2			NO_x			
Date	Action	Allowance Allocation	Sale Price	Revenue[1]	Allowance Allocation[2]		Sale Price	Revenue[1]
					Seas.	Ann.		
1/1/08	2007 Carryover	549			0	--	--	--
1/1/09	2008 Carryover	2,691			0			
1/1/09	2009 Allocation	2,723	--	--	53	80	--	--
2/1/10	2010 Allocation	1,988			50	78		
1/1/11	2011 Allocation	1,988			49	76		
4/1/11	2011 Reallocation				2			
N/A	2003-2006 Carryover	139						
9/29/09	SO2 Sales	(1,500)						
11/12/09	NO_X Ann. Sales					(45)		
11/13/09	SO2 Sales	(1,410)						
11/20/09	NOx Seas. Sales				(25)			
12/31/09	2009 YTD Emissions[3]	(1)	--	--	(6)	(13)	--	--
12/31/10	2010 YTD Emissions	--	--	--	(54)	(54)	--	--
10/31/10	EPA Linearity Testing Req.				(68)	(68)		
2011	2010 Deficit NOx Purchases				53	22		
12/31/11	2011 YTD Emissions	(2)				(3)		
Totals - Allowances		**3,189 pre-CAIR 3,976 CAIR[3]**	**--**	**$0**	**54**	**73**	**--**	**$0**
								$0
								$0
							Total Revenue	**$0**

Notes:

(1) Revenue calculations account for a $0.50/ton broker fee for SO_2, $10/ton broker fee for NO_x annual and $5/ton broker fee for NO_X seasonal.

(2) Per the Clean Air Interstate Rule, in 2009, NOx emissions will be governed by a seasonal and annual program. The NO_x seasonal emissions pertain only to emissions (May 1 – Sep 30), similar to the previous trading regimen. Annual emissions cover the entire year.

(3) CAIR allowances are retired at a rate of 2 allowances for each ton emitted. Pre-CAIR allowances retain a 1 allowance to 1 ton value for compliance. It is assumed that pre-CAIR allowances will be retired before CAIR allowances.

Given current dispatch expectations, the market value of the remaining 2007-2011 Dover allowance inventory is approximately $35,274 at the time of this report. This represents 3,189 pre-CAIR SO_2 allowances trading at $4/ton, 3,976 post-CAIR SO_2 allowances trading at $2.50/ton, 73 NO_x annual allowances trading at $157.50/ton, and 54 NO_x seasonal allowances trading at $20/ton.

EMISSIONS & ALLOWANCE SUMMARY Through April 30, 2011						
Allowance Vintage	Allowance Allocation	Emissions Month	Emissions	Allowances Sold Month	Allowances Sold	Allowance Balance
SO_2 – 2007-10	10,157	N/A	131	N/A	4,847	5,179
SO_2 – 2011	1,988	0	2	0	0	1,986
NO_x Annu – 2009	80	0	13[2]	0	45	22
NO_x Seas – 2009	53	0	6	0	25	22
NO_x Annu – 2010	78	0	122	0	(22)	(22)
NO_x Seas – 2010	50	0	122	0	(53)	(19)
NO_x Annu – 2011	76	0	3	0	0	73
NO_x Seas – 2011	51[3]	0	0	0	0	51

Operations Management Summary

During the month of April there were no reportable or lost time accidents or injuries. The facility has now gone 198 days without an OSHA recordable accident and 198 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued. There were no near miss events. All three Units at McKee Run were in a planned outage. There were no opportunities to generate during the month and no units were dispatched for PJM.

Monthly Budget Variance - The actual expenses attributable to O&M of the two sites for the month of April were $413,166. The expenses were $23,599 or 5.40% under the approved budget of $436,765. The principal reason for the favorable variance is due to delayed timing of payments for environmental expenses, home office labor and boiler systems that will occur later in the year.

[2] Approximately 10 tons of NOx emissions resulted from the February 2010 McKee Run testing associated with the Pollution Remediation project and the June 2010 emission testing project.
[3] The EPA reallocated 2 additional seasonal NOx allowances into the McKee Run 2011 account.

Risk Management Summary

Forward PJM power prices decreased slightly since the last reporting period. Prices decreased as forecasts called for mild temperatures across most parts of the country. Forward Dover Zone power prices for FY 2010-11 increased by $0.13/MWh (an increase of 0.25%) since the last reporting period while FY 2011-2012, FY 2012-2013, FY 2013-2014, and FY 2014-2015 all changed by approximately -$0.49/MWh to $0.02/MWh (representing a range of -0.91% decrease and a 0.25% increase, respectively) compared with the last reporting period.

The individual years' hedge ratios and Cost-of-Service projections are shown in the table below:

Wholesale Cost-of-Service Summary (Projected)

Date 5/19/2011	**Budget**		**May**		**Apr**	**Mar**
Power Year	Cost-of-Service Budget	Cost-of Service $/MWh[1]	Hedge Ratio	Year-to Year Increase	Cost-of Service $/MWh	Cost-of Service $/MWh
2010-2011	$82.15	$85.93	88%	-3.6%	$85.83	$85.82
2011-2012	N/A	$79.47	85%	-7.5%	$79.53	$79.49
2012-2013	N/A	$72.91	76%	-8.3%	$73.02	$73.01
2013-2014	N/A	$71.87	48%	-1.4%	$71.96	$71.87
2014-2015	N/A	$71.80	19%	-0.1%	$71.75	$71.38

[1] *Note that the "Cost-of-Service" column does not reflect the SREC benefit the City will receive since the SREC prices are currently unknown*

**Difference in COS from asset management due to generation & O&M*

***Not inclusive of budget update*

2.0 – BUDGET REPORT

2.1 – VARIANCE REPORT

	Budget Apr-11	Actual Apr-11	Variance Apr-11
Load Forecast	**52,554**	**54,359**	**(1,805)**
Power Supply			
Power Supply	$3,524,034	$3,481,320	$42,714
Power Supply Management	$183,188	$180,833	$2,355
Capacity Charges - Load	$1,043,503	$1,043,504	($1)
PJM Charges - Load	$699,639	$752,006	($52,368)
Total - Power Supply	**$5,450,364**	**$5,457,663**	**($7,299)**
Generation			
Plant Operations	$436,765[4]	$413,166	$23,599
Generation Fuel	$0	$0	$0
Capacity Credits	($970,188)	($970,188)	$0
PJM Credits	($34,012)	($34,012)	$0
Total - Generation	**($567,435)**	**($591,034)**	**$23,599**
Emission Allowance Sales			
Total - Emission Allowance Sales	**$0**	**$0**	**$0**
Total Power Supply & Generation	**$4,882,929**	**$4,866,629**	**$16,300**
Total Power Supply, Generation & Emission Sales	**$4,882,929**	**$4,866,629**	**$16,300**
Unit Costs			
Total – Power Supply	$103.71	$100.40	$3.31
Total - Generation + Emission Sales	($10.80)	($10.87)	$0.08
Final Cost of Service to City of Dover Ratepayers	**$92.91**	**$89.53**	**$3.39**

[4] On March 2011, the City Council reviewed and approved NAES' latest submittal of a revised plant budget for Dover's FY2010-11. The budgeted O&M values were updated to match the approved City's plant budget.

	Budget YTD	Actual YTD	Variance YTD
Load Forecast	**626,336**	**634,249**	**(7,912)**
Power Supply			
Power Supply	$40,015,615	$39,834,186	$181,429
Power Supply Management	$1,937,798	$1,929,637	$8,161
Capacity Charges - Load	$10,572,119	$10,572,122	($3)
PJM Charges - Load	$11,244,557	$12,021,836	($777,278)
Total - Power Supply	**$63,770,090**	**$64,357,781**	**($587,691)**
Generation			
Plant Operations	$4,796,131	$4,703,800	$92,331
Generation Fuel	$3,138,177	$3,376,054	($237,877)
Capacity Credits	($9,842,531)	($9,842,532)	$0
PJM Credits	($5,414,579)	($5,686,259)	$271,680
Total - Generation	**($7,322,803)**	**($7,448,936)**	**$126,134**
Emission Allowance Sales			
Total - Emission Allowance Sales	**$11,695**	**$11,695**	**$0**
Total Power Supply & Generation	**$56,447,287**	**$56,908,845**	**($461,558)**
Total Power Supply, Generation & Emission Sales	**$56,458,982**	**$56,920,540**	**($461,558)**
Unit Costs			
Total – Power Supply	$101.81	$101.47	$0.34
Total - Generation + Emission Sales	($11.67)	($11.73)	$0.05
Final Cost of Service to City of Dover Ratepayers	**$90.14**	**$89.74**	**$0.40**

2.2 – VARIANCE ANALYSIS

Power Supply

- Power Supply realized a favorable $43 thousand variance compared to the budget. This favorable variance was primarily due to the timing of Dover's options purchase and payment of the associated premium. During FY2009-10 the City of Dover purchased Options as insurance to protect Dover from incremental energy cost exposure. The current City of Dover power supply and generation budget indicates that 100% of this purchase was expensed as a Power Supply Cost in the FY2009-10 period; however the FY2010-11 budget accrues this expense monthly.

- PJM Charges for Load experienced a negative $52 thousand variance relative to the monthly budget. This variance was driven by Dover's open position, which was 69% higher than budget. A larger volume of open positions, coupled with higher than projected PJM energy open prices, resulted in a total Open Position cost that was $116 thousand greater than budget. Additional factors contributing to the unfavorable variance included i) a $42 thousand unfavorable variance in PJM Ancillary charges and ii) a $27 thousand unfavorable variance in Transmission Rights Credits. Offsetting these unfavorable variances were a $115 thousand favorable variances in Load Following and a $23 thousand favorable variance in Basis costs.

- For the month the City realized a $10 thousand unfavorable net variance between Power Supply (fixed positions) and PJM Charges for Load (open positions, transmission, etc.). The change in volume resulted in an unfavorable $141 thousand variance, and the change in price resulted in a favorable $131 thousand variance. Hence, all of the unfavorable variance can be attributed to volumn changes.

- The Power Supply Management variance is merely an estimate at this point.

Generation

- Plant O&M reported a favorable variance of $24 thousand compared to the revised monthly O&M reset Budget of $437 thousand (the overall reset plant budget for FY 2010-11 was approved by the City Council on March, 2011). The timing of environmental, home office labor and boiler systems expenses created the favorable variance. These expenses will occur at a later date.

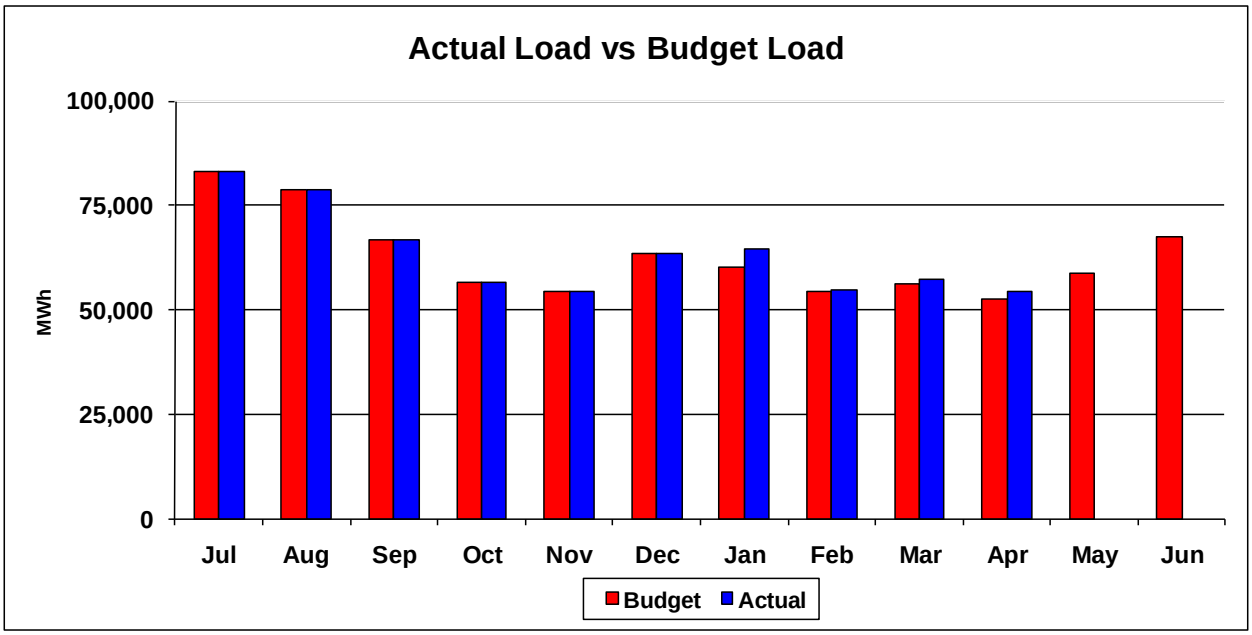
3.0 – ENERGY MANAGEMENT

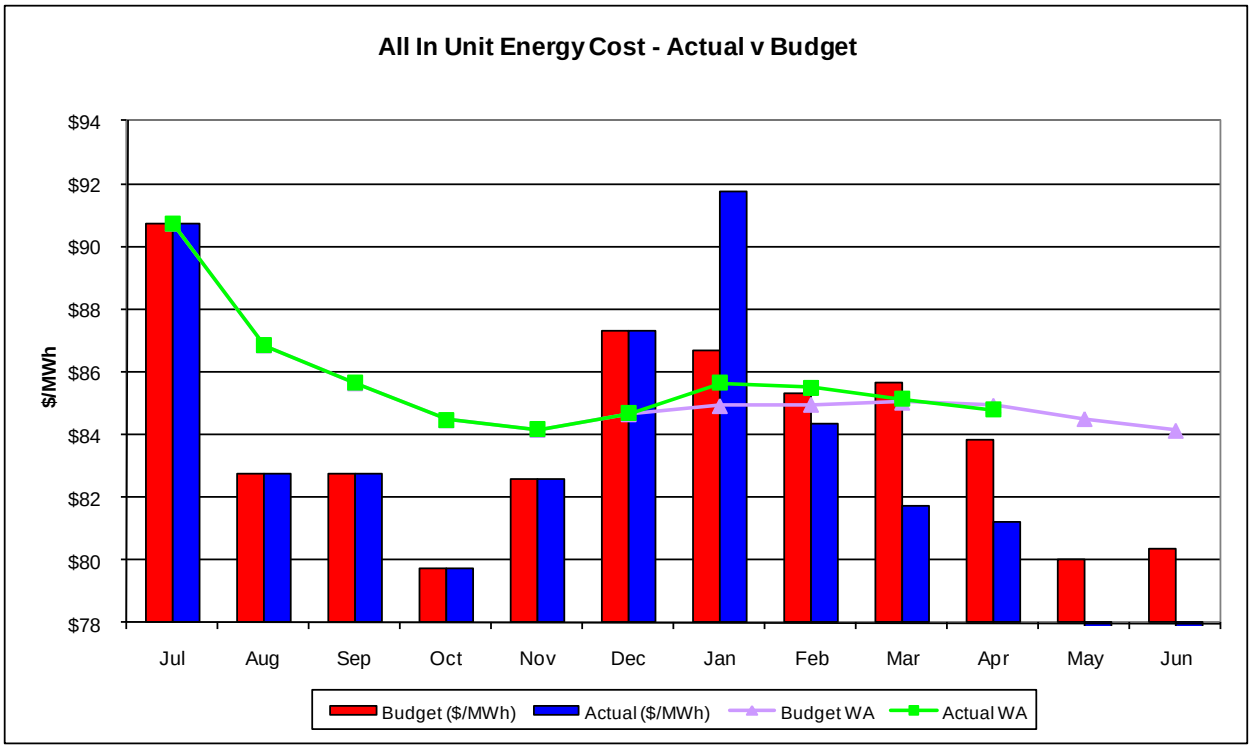
3.1 – PURCHASED POWER

Management Highlights

- Dover's April load was 54,359 MWh, which was 3.4% above the weather normalized load of 52,554 MWh. Hedge volumes accounted for 92% of actual load for the month.

- The April All In Unit Energy cost (excluding capacity) of $81.20 per MWh is $2.65 per MWh lower than the monthly budget.




All In Unit Energy Cost - Actual v Budget
$/MWh
$94
$92
$90
$88
$86
$84
$82
$80
$78
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Budget ($/MWh)
Actual ($/MWh)
Budget WA
Actual WA

Purchased Power Variance Report

	Budget Apr-11	Actual Apr-11	Variance Apr-11
City of Dover Load			
Load Obligation (MWh)	52,554	54,359	(1,805)
Unit Energy Costs ($ per MWh)			
Energy Cost (inc. Load Following & Pace Fees)	$76.26	$72.97	$3.29
Pass Through	$6.67	$7.33	($0.66)
Incentive Fees	$0.93	$0.90	$0.03
Total - All In Unit Energy Cost	**$83.85**	**$81.20**	**$2.65**

Purchased Power Variance Analysis

- The actual Dover load of 54,359 MWh was 3.4% above the projected April load of 52,554 MWh.

- The All In Unit Energy Cost was $2.65 per MWh lower than budget due to a decreased load following and basis charges. Offsetting these positive variances was an increased open position volume and a higher than budgeted energy price, an unfavorable PJM Ancillary charge and a lower than projected transmission related refund.

- The Management Incentive fee variance on a $/MWh basis is merely an estimate at this point.

PJM Power Balancing and Load Related Fees

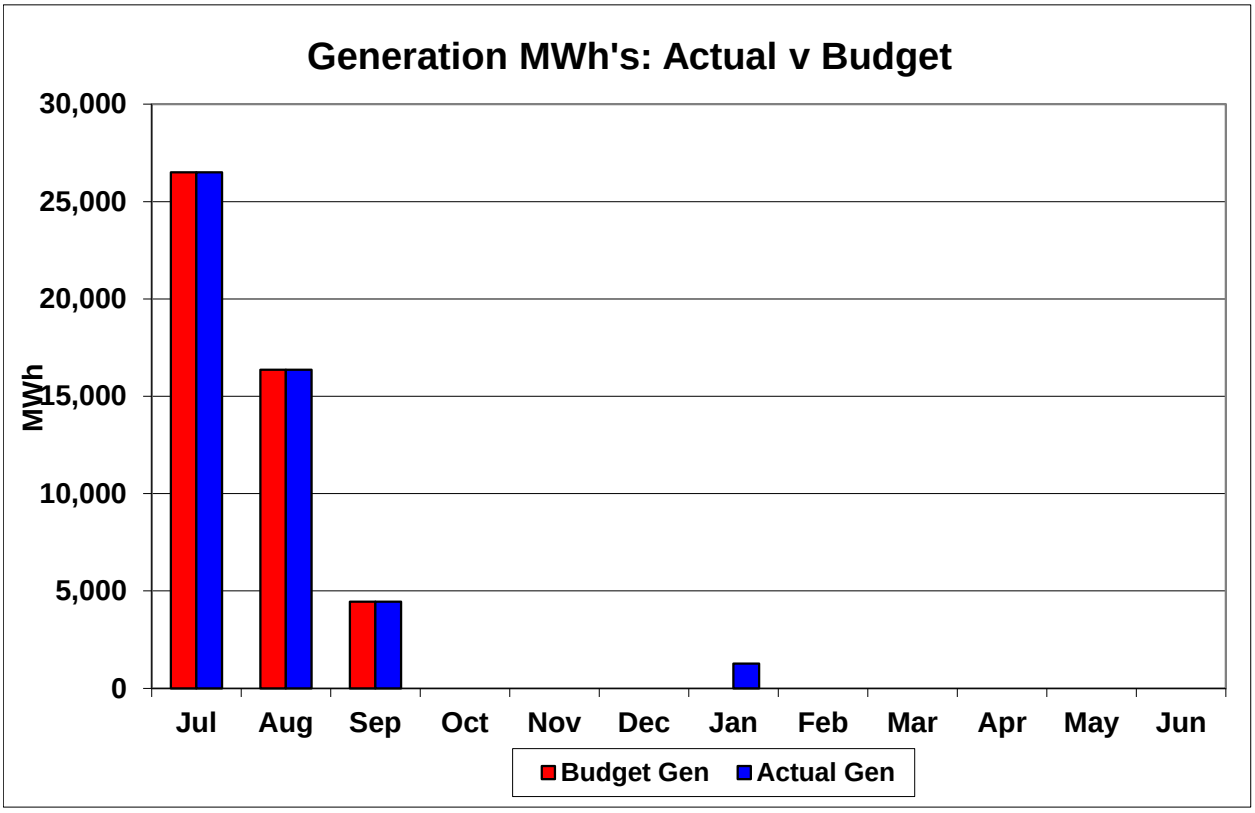
Purchased Power (Hedges): 49,920 MWhs @ $69.74/MWh:	$3,481,320
Power Balancing; Additional PJM, and Energy Manager Fee[5]:	$1,976,343
Total Cost to Serve Load (54,359 MWhs)	$5,457,663

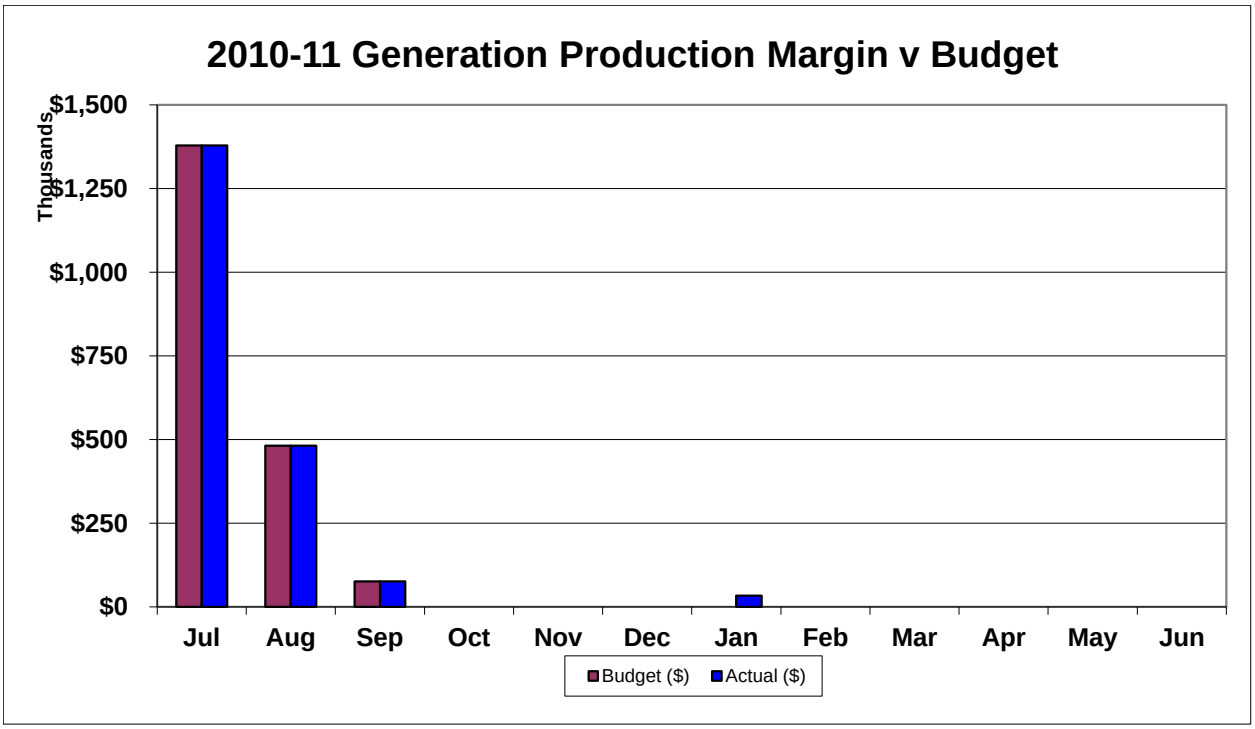
All In $/MWh load cost inclusive of Energy Management Fees: $100.40/MWh

[5] Includes estimated Incentive Fees.

3.2 – GENERATION MANAGEMENT

- During the month, PJM did not dispatch Dover's units into the market. The McKee units started a planned outage on March 28 that will last until May 23. The budget did not project generation for this month.




2010-11 Generation Production Margin v Budget
Thousands
$1,500
$1,250
$1,000
$750
$500
$250
$0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Budget ($)
Actual ($)

Generation Management Variance Report

	Budget Apr-11	Actual Apr-11	Variance Apr-11
Self-Supplied Capacity from Gen (MW)			
McKee Run 1	17	17	0
McKee Run 2	17	17	0
McKee Run 3	100.3	100.3	0
Van Sant	39	39	0
Self Supplied Capacity from Gen (MW)	**173.3**	**173.3**	**0**
Additional Capacity from PJM Incremental Auction	**1.7**	**1.7**	**0**
Total Capacity from Gen (MW)	**175**	**175**	**0**
Gen Capacity Sales to PJM ($/MW.d)	$186.12	$186.12	$0.00
Incremental Auction Sales to PJM ($/MW.d)	$50.00	$50.00	$0.00
Power Sales			
Power Sales (MWh)	0	0	0
Sales Revenue ($ per MWh)	$0.00	$0.00	$0.00
Power Sales Revenue ($)	**$0**	**$0.00**	**$0**
Variable Fuel & Transport			
Fuel Oil No.2 Volume - McKee (gal)	0	0	0
Fuel Oil No.2 - McKee ($/gal)	$0.00	$0.00	$0.00
Fuel Oil No.2 Cost of Goods Sold - McKee ($)	$0	$0.00	$0
Fuel Oil No.2 Volume - Van Sant (gal)	0	0	0
Fuel Oil No.2 - Van Sant ($/gal)	$0.00	0.00	$0.00
Fuel Oil No.2 Cost of Goods Sold - Van Sant ($)	$0.00	0.00	$0.00
Gas Volume (Dth)	0	0	0
Unit Gas Price ($/Dth)	$0.00	0	$0.00
Variable Gas Cost ($)	$0.00	0	$0.00
Transport ($)	$0.00	0	$0.00
Variable Gas and Transport Costs ($)	$0.00	$0.00	$0.00
Variable Fuel & Transport Costs ($)	**$0**	**$0.00**	**$0**
Testing	$0.00	$0.00	$0.00
Generation Production Margin	**$0.00**	**$0.00**	**$0.00**
Generation Capacity Payment			
Total - Generation Capacity Payment	**($970,188)**	**($970,188)**	**$0**

Generation Management Variance Analysis

Fuel Expense

- PJM did not dispatch Dover's units into the market, nor did the units consume natural gas or fuel oil related to power generation.

Generation Production Margin		
Transaction	Volumes	Revenue/(Cost)
PJM Invoice for Power Sold	0 MWhs	$0
Fuel and Transport	0 Dth gas/ 0 gal #2 oil 0 gal #2 oil Low Sulfur	$0
Generation Production Margin	0 MWhs	$0

The following non-production energy revenues and costs are generally fixed and are not directly related to generation dispatch and power production. Effective September 2009 FERC approved the City of Dover's reactive supply service compensation resulting in approximately $29 thousand of revenue per month.

PJM Invoice (Black Start)	$4,545
Reactive Supply Credit	$29,468
Fuel Oil Tank Heating & Black Start Gas Supply	$0
Eastern Shore Demand Charge	$0
Eastern Shore Transport and Imbalance Charge	$0
Transco Demand Charge	$0
Non-Production Energy Revenue/(Costs)	$34,013

Fuel and Transportation

- During the month there were no unit dispatches by PJM.

Date	Volume (Dth)	Price ($/Dth)	Total Commodity Cost ($)
Hess Corp			
Sub-Total	0	$0.00	$0.00
PESCO			
Sub-Total	0	$0.00	$0.00
NJNG			
Sub-Total	0	$0.00	$0.00
Total	**0**	**$0.00**	**$0.00**

Due to the conversion from #6 residual oil to low sulfur #2 oil, the need for a constant supply of natural gas to heat the #6 oil is no longer required. Some gas will still be required for winter space heating of the building(s). Pace will coordinate with NAES on the procurement of such supply. This expense will now fall under the plant's utility costs and be paid and budgeted for by the station.

Gas Transportation Purchased

City of Dover decided not to renew agreements with the Eastern Shore Natural Gas Pipeline ("ESNG") and TransCo to provide firm natural gas deliveries to the McKee Run and Van Sant stations. The City of Dover previously notified ESNG and TransCo of its intent to terminate these existing firm capacity agreements and, as a result, the City no longer pays firm demand charges or adjustments.

ESNG FT Demand Charge	$ 0
TransCo FT Demand Charge	$ 0
Total Purchases	$ 0

Other Gas Purchases

Commodity and transportation imbalances on Eastern Shore Pipeline for the month resulted in no charge. The components of this charge are summarized as follows:

Eastern Shore Transport and Imbalance Charges			
Imbalance/Dth	Estimated Cost/Dth	Estimated Total Cost	
0	$0.00	$0.00	
Transport	Volume/Dth	$/Dth	Total Cost
Firm/IT	0	$0.00	$0.00
Net Charge	$0.00		

Purchased Commodity Fuel Oil Summary

Neither McKee Run nor Van Sant was dispatched into PJM and no #2 fuel oil was consumed for the month. The McKee Run tank must maintain 3 days of load equivalent dispatches for its units.

The McKee Run tank must maintain 3 days of load equivalent dispatches for its units.

Tank Inventory Estimates as of April 30			
Tank	Tank Capacity (gallon)	Inventory In (gallon)	Days of Burn (Typical Dispatch[6])
McKee Run (#2 Fuel Oil)	2,554,105	451,200	3
Van Sant (#2 Fuel Oil)	258,000	152,369	3

[6] As measured by tank level instruments. Tank levels may change due to oil temperature.

3.3 – EMISSIONS AND ALLOWANCE MANAGEMENT

Given the regulatory uncertainty surrounding the allowance markets, Dover has elected not to include revenues from emission allowance sales in its 2010-2011 fiscal year budget. Dover purchased and retired 53 NO_X seasonal allowances on November 23rd 2010, in order to meet their 2010 NO_X seasonal compliance position. Additionally, Dover purchased 22 NO_X annual allowances on February 11, 2011, in order to cover their 2010 NO_X annual compliance position. In January 2011, Dover was allocated 1,988 SO_2 allowances, 42 NO_X seasonal allowances, and 76 NO_X annual allowances. Dover has the appropriate number of allowances were set aside for retirement (see Exhibit 1).

Exhibit 1: Emissions and Allowance Summary through April 30, 2011

2010-2011 EMISSIONS & ALLOWANCE SUMMARY								
		SO_2			NO_x			
Date	Action	Allowance Allocation	Sale Price	Revenue[1]	Allowance Allocation[2]		Sale Price	Revenue[1]
					Seas.	Ann.		
1/1/08	2007 Carryover	549			0	--	--	--
1/1/09	2008 Carryover	2,691			0			
1/1/09	2009 Allocation	2,723	--	--	53	80	--	--
2/1/10	2010 Allocation	1,988			50	78		
1/1/11	2011 Allocation	1,988			49	76		
4/1/11	2011 Reallocation				2			
N/A	2003-2006 Carryover	139						
9/29/09	SO2 Sales	(1,500)						
11/12/09	NO_X Ann. Sales					(45)		
11/13/09	SO2 Sales	(1,410)						
11/20/09	NOx Seas. Sales				(25)			
12/31/09	2009 YTD Emissions[3]	(1)	--	--	(6)	(13)	--	--
12/31/10	2010 YTD Emissions	--	--	--	(54)	(54)	--	--
10/31/10	EPA Linearity Testing Req.				(68)	(68)		
2011	2010 Deficit NOx Purchases				53	22		
12/31/11	2011 YTD Emissions	(2)				(3)		
Totals - Allowances		**3,189 pre-CAIR 3,976 CAIR[3]**	**--**	**$0**	**54**	**73**	**--**	**$0**

$0
$0
Total Revenue **$0**

Notes:

(1) Revenue calculations account for a $.50/ton broker fee for SO_2, $10/ton broker fee for NO_x annual and $5/ton broker fee for NO_X seasonal.

(2) Per the Clean Air Interstate Rule, in 2009, NOx emissions will be governed by a seasonal and annual program. The NO_x seasonal emissions pertain only to emissions (May 1 – Sep 30), similar to the previous trading regimen. Annual emissions cover the entire year.

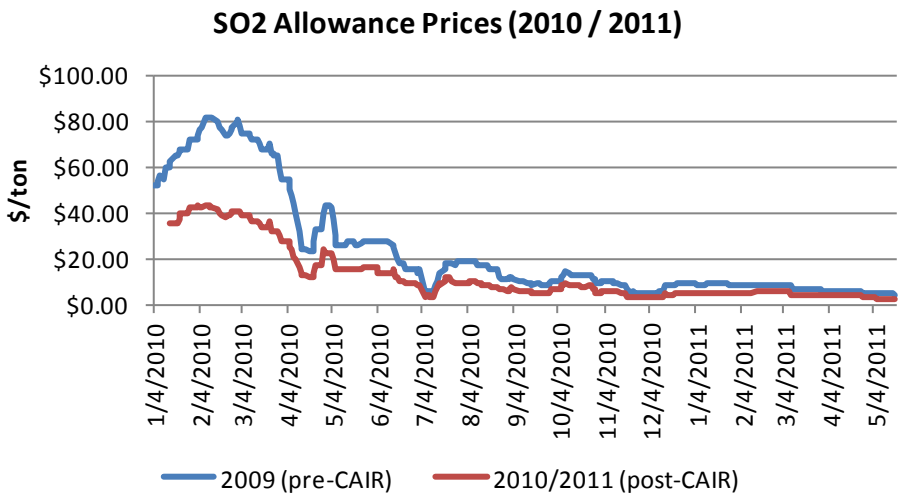
(3) CAIR allowances are retired at a rate of 2 allowances for each ton emitted. Pre-CAIR allowances retain a 1 allowance to 1 ton value for compliance. It is assumed that pre-CAIR allowances will be retired before CAIR allowances.

Given current dispatch expectations, the market value of the remaining 2007-2011 Dover allowance inventory is approximately $35,274 at the time of this report. This represents 3,189 pre-CAIR SO_2 allowances trading at $4/ton, 3,976 post-CAIR SO_2 allowances trading at $2.50/ton, 73 NO_x annual allowances trading at $157.50/ton, and 54 NO_x seasonal allowances trading at $20/ton.

SO_2

SO_2 allowances continue to lose value as the likely release of final version of the Environmental Protection Agency's (EPA) Clean Air Transport Rule (Transport Rule) approaches. Allowances have steadily declined since the lead up to the issuance of the proposed Transport Rule in July 2010 (see Figure 1 – SO2 Prices 2010 - 2011). Should the final Transport Rule adopt similar rules as the proposed version, current vintage SO_2 allowances will not be eligible for compliance under the new trading program.

Figure 1 – SO_2 Prices 2010 - 2011



NO_x

NO_X annual allowance prices have steadily declined through most of 2011, continuing their slide from 2010. The late February and early March drop in allowance prices is attributable to the March 1st compliance deadline for 2010 emissions (See Figure 2 – NOX annual prices 2011). Current vintage NO_X annual allowances are not expected to be eligible for compliance in the new trading program established by the Transport Rule. Prices between now and the compliance date

for 2011 could be volatile, particularly if the high summer temperatures require units to run at levels similar to summer 2010.

NO_X seasonal prices have remained consistently in the $20 - $30/ton range for all of 2011 (See Figure 3 – NOX seasonal prices 2011.) As with NO_X annual and SO_2 allowances, new trading rules under the Transport Rule are unlikely to allow current vintage NO_X seasonal allowances to qualify for compliance.

Figure 2 – NO_X annual prices 2011

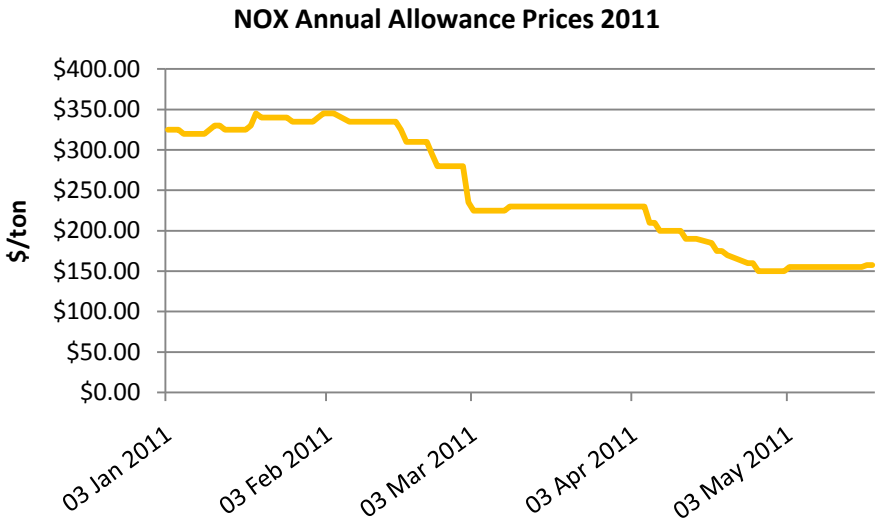
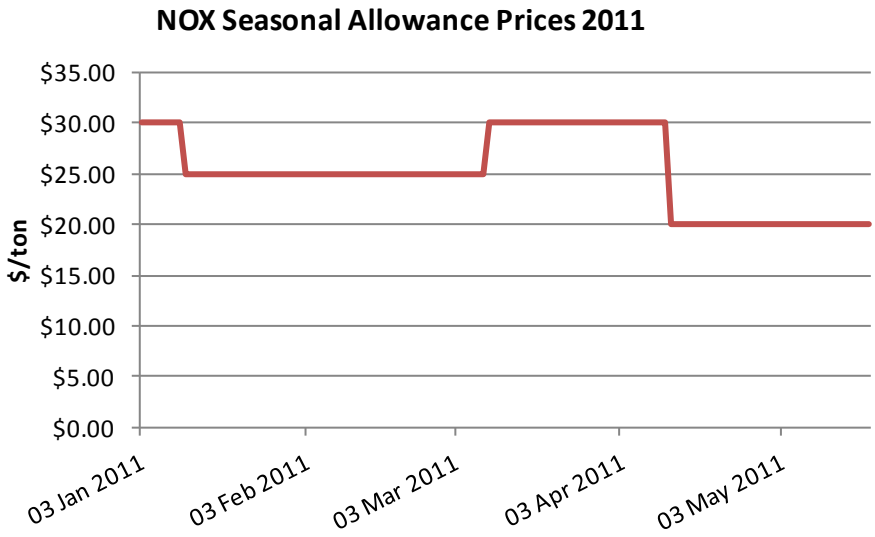


Figure 3 – NO_X seasonal prices 2011



SO_2 and NOx Outlook

Market participants continue to sit largely idle, awaiting some level of regulatory certainty from EPA. The final Transport Rule, setting new emissions trading rules, is expected to be released in June or July this year. The expectation is that there will be new allowances for SO_2 and NO_X emissions, leaving little value for the existing bank of allowances beyond this year's compliance requirements.

It is difficult to estimate what the future compliance costs for SO_2 and NO_X emissions will be under new trading rules with a number of variables still unknown - the release of the final Transport Rule should provide some clarity. The method and extent of allowances allocated directly to units, pollution caps, and flexibility in trading will all impact the ultimate compliance costs for regulated units. To date, three separate allowance allocation methodologies have been proposed, which all give Dover varying levels of coverage (See Figure 4 – Three Different Allowance Allocations Proposed by EPA).

Figure 4 – Three Different Allowance Allocations Proposed by EPA

Original CATR Allocations				
Plant	2012 SO2 Allocation	2014 SO2 Allocation	Annual NOx Allocation	Ozone Season NOx Allocation
McKee Run	2	2	0	14
Van Sant	0	0	5	1
Total	2	2	5	15

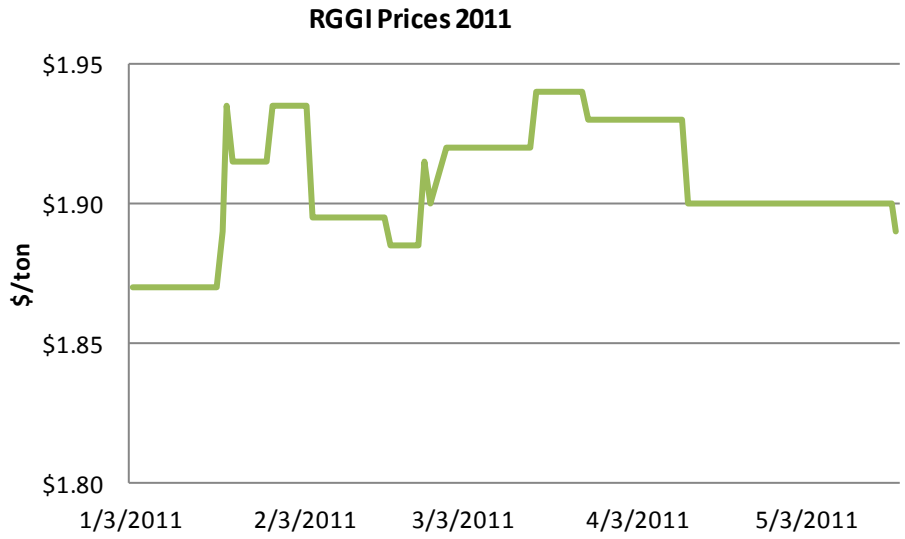
New Alternative CATR Allocations: Option 1				
Plant	2012 SO2 Allocation	2014 SO2 Allocation	Annual NOx Allocation	Ozone Season NOx Allocation
McKee Run	45	45	36	17
Van Sant	3	3	3	1
Total	48	48	38	18

New Alternative CATR Allocations: Option 2				
Plant	2012 SO2 Allocation	2014 SO2 Allocation	Annual NOx Allocation	Ozone Season NOx Allocation
McKee Run	50	50	37	17
Van Sant	4	4	3	1
Total	53	53	40	19

RGGI and Federal Carbon Outlook

RGGI allowance prices continue to price at very low levels, as the market is substantially over supplied, forcing prices to levels at or near the statutory price floor (see Figure 5 – RGGI Allowance Prices).

Figure 5 – RGGI Allowance Prices



Based on projected generation and emissions, Dover is projected to have an excess of 150,000 allowances through 2013 with a market value at current prices of $283,000.

Despite the high level of uncertainty surrounding carbon legislation, Pace Global continues to anticipate an eventual price on carbon at a national level, although the timing, method, and scope of coverage are all substantially unknown at this time. Pace Global expects carbon regulation to evolve through three main drivers: 1. Legislation; 2. EPA regulation under their existing authority; and 3. Linkage of regional and state initiatives.

The three carbon pricing drivers will likely develop in parallel and, at times, in concert with one another. Through the three drivers, Pace Global anticipates a national price on carbon emissions via a market based system, or combination of systems, beginning sometime between 2015 and 2018.

There have been a number of proposed measures in Congress that would temporarily or permanently negate EPA's authority to regulate GHGs. Attempts to cut EPA's regulatory funding for GHG programs in the FY 2011 federal budget were unsuccessful; however the fight will likely continue as Congress debates the FY2012 federal budget. Additionally, bills to permanently repeal EPA's regulatory authority appear to have stalled for the time being, with insufficient support in the Senate and threats of Presidential veto from the Administration.

4.0 – OPERATIONS MANAGEMENT

Management Highlights

- During the month of April, there were no restricted work days or lost time accidents. The facility has now gone 198 days without an OSHA recordable accident or a lost time reportable accident.

- The plant received no Notice of Violations (NOVs). There were no environmental deviations or other permit deviations during the month. The EPA reallocated 2 additional NOx seasonal allowances to the McKee Run 2011 account.

- No units were dispatched by PJM for the month of April.

- The McKee started a planned outage on March 28 that will last until May 23.

- XL Insurance contractor was onsite in late April to conduct an annual inspection of the facilities. During his inspection, he toured the plants and reviewed plant documents pertinent to operations, maintenance, safety, environmental and capital projects.

- Maintenance, IC&E and Operations Staff completed the Unit 1/2 generator hydrogen fill line purge utilizing the NAES SMP-22 gas purge procedure.

- Maintenance staff completed the removal and replacement of the Unit 2 air heater bottom radius seals.

- The following is the NAES Monthly Report as submitted to PGAM.

NAES Corporation
Dover, Delaware

April 2011
Monthly Report



New Unit 3 Air Heater Expansion Joint

Table of Contents

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2.0 Financial

3.0 Operations

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6.0 General Plant Information

7.0 Summary of NAES Performance

1.0 Environmental, Health and Safety:

During the month of April, there were no restricted work days or lost time accidents. The facility has now gone 198 days without an OSHA recordable accident or a lost time reportable accident.

The plant received no Notice of Violations (NOVs). There were no environmental deviations or other permit deviations during the month. No further word has been received from the EPA regarding the Unit 3 NOx emissions allowances.

Environmental, Health and Safety Statistics		
	Month (April)	Fiscal Year to Date (7/1/10-6/30/11)
NOVs	0	0
Opacity Deviations	0	13
Environmental Deviations	0	0
OSHA Recordable	0	1
OSHA LTA's	0	0
First Aid cases	0	0
Restricted Workday Accident	0	0
Near Miss	0	6
Man Hours Worked	4,285.25	95,165.50
Date last OSHA Recordable		10/14/10
Date last Lost Time Accident		10/14/10
Days since last OSHA recordable		198
Days since last Lost Time Accident		198

Emissions (NOx & SO2) All data thru 4/30/11

NOx Summary - Year (May-Sept.)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	119.2	3.3	125.4
2011	0.0	0.0	0.0	0.0	0.0

NOx Summary - Year (Jan. – Dec.)Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2009	0.9	0.7	10.1	0.6	12.3
2010	0.7	2.2	119.2	3.3	125.4
2011	0.0	0.0	1.2	1.6	2.8

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)	***Van Sant (Yr/Season)***			***McKee Run (Yr/Season)***	***Van Sant (Yr/Season)***
2009	45/25	75/50	5/3	12/5 - 1/1	0/0 – 0/0	18/0	4/2
2010	0	73/47*	5/3	119**/119** - 3/3	22##/53# – 0/0	-46/0	2/0
2011	0	71/48###	5/3	1/0 – 2/0	0/0 - 0/0	70/48###	3/3

Note ** - Higher NOx emissions are attributed to data substitution rules that use significantly higher emission rates than actually were emitted. The implementation of the data substitution rules were caused by performing a linearity test outside the grace period. NAES ESS was able to provide assistance in reducing the NOx emissions from 137 tons to 119 tons since the October report. A petition to the EPA was sent out in February that would result in a reduction in reported emissions. The EPA has given preliminary approval to the petition request although it is not official until the plant receives a signed EPA approval. Until the issue is resolved, the EPA has locked the annual account and no allowances will be deducted until that time.
Note# - 53 tons were purchased to help compensate for the shortage in seasonal NOx allowances.
Note## - 22 tons were purchased to help compensate for the shortage in annual NOx allowances.
Note###- 2 tons were reallocated by the EPA to the McKee Run 2011 account.

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

Note: Data is as of 4/30/2011

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***		
2003-2006	139	138	1	0	0
2007	2455	2585	138	98	170
2008	2392	2585	138	32	299
2009	0	2585	138	0	2723
2010	0	1850	138	0	1988
2011	0	1850	138	1	1987

Note: Data is as of 4/30/2011

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	***Van Sant***		
2009	0	59,805	1,699	5,796	55,708
2010	0	47,844	1,636	32,971	16,509
2011	0	35,883	1,227	1,380	35,730
2012	0	23,922	818	0	24,740
2013	0	11,961	409	0	12,370

Note: All CO2 allowance values are provided by the RGGI CO2 Allowance Tracking System

2.0 Financial

Financial – Current Month

Month –April 2011			
	Actual	Budget	Variance
Personnel	251,971	248,772	(3,199)
Materials & Supplies	9,486	12,231	2,745
Administrative Expenses	151,709	175,762	24,053
Total	**$413,166**	**$436,765**	**23,599**

Financial – Fiscal Year to Date

Number of Months - 10			
	Actual	Budget	Variance
Personnel	2,530,236	2,527,037	(3,199)
Materials & Supplies	221,896	224,641	2,745
Administrative Expenses	1,951,670	1,975,723	24,053
Total	**$4,703,802**	**$4,727,401**	**$23,599**

2.1 Variance analysis:

The adjusted (annual reset) budget for April was $436,765. The actual expenses for April were $413,166 for a favorable variance of $23,599 or ≈ 5.40%. The variance was due to the following:

PERSONNEL EXPENSES - Labor, overtime, and burdens accounted for a total monthly unfavorable variance of $3,199. A lower overtime expense due to scheduling changes and flex time usage was offset by higher than budgeted straight time expenses due to the flex leave payout of a recently terminated (resignation) employee. An increase in burdens was also due to the employee flex leave payout.

MATERIALS AND SUPPLIES EXPENSES- Lower expenses in Office Supplies and Security/Safety Materials accounted for a favorable variance of $2,745 for the month of April.

ADMINISTRATIVE EXPENSES – During the month of April, a favorable variance of $24,053 was realized due to lower expenses in Environmental Expenses, Home Office Labor, Auxiliary Systems, Boiler Systems, and Combustion Turbine Maintenance.

The current budget forecast for the current fiscal year is $6,159,886 expensed versus an adjusted budget of $6,163,315 thereby realizing a 99.94%.expense rate.

3.0 Operations

Unit Operations / Outages / Trips

No units were dispatched by PJM for the month of April. All three units at McKee Run remain in a Planned Outage. Unit 11 at Van Sant is ready and available for dispatch if needed.

Month – April 2011							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	Van Sant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	0.0	0.0	0.0	0.0	0.0	0.0
Starts	#	0	0	0	0	0	0
Gross Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Net Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Total Auxiliaries	MWh	24.232	24.232	142.615	191.079	3.687	191.083
Auxiliaries purchased	MWh	24.232	24.232	142.615	191.079	3.687	191.083
Fuel Gas Used	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Fuel Oil Used	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Fuel Oil Used	Gallons	0.0	0.0	0.0	0.0	0.0	0.0
Total Fuel	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Net Heat Rate	BTU/KWh	0.0	0.0	0.0	0.0	0.0	0.0
Unit Trips	#	0	0	0	0	0	0
Capacity Factor	%	0.0	0.0	0.0	0.0	0.0	0.0
Availability Factor	%	0.0	0.0	0.0	0.0	100.00	25.000
Commercial Unavailability (CU)	%	0	0	0	0	0	0
Planned Outage Hours	Hours	720.000	720.000	720.000	2,160.000	0.0	2,160.000
Maintenance Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Forced Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	0.0	0.0	0.0	0.0	720.000	720.000
HW Boiler Gas Usage	MMBTU				0		0
Pilot Gas Usage	MMBTU	0	0		0		0

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

2010-2011 Fiscal Year-to-Date (10 Months)							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	Van Sant Unit 11	Total All Units
Capacity	MW	13.033	128.966	645.256	787.255	137.790	1,062.089
On Line Hours	Hrs	1	3	44	48	35	83
Starts	#	154.626	1,216.601	45,570.285	46,941.512	4,635.447	51,576.959
Gross Generation	MWh	147.111	1,141.623	42,968.696	44,257.430	4,632.241	51,189.671
Net Generation	MWh	310.469	377.931	5,396.933	6,085.333	41.416	6,126.749
Total Auxiliaries	MWh	302.954	302.954	2,678.144	3,284.052	38.720	3,322.772
Auxiliaries purchased	MWh	2,183.250	15,245.850	452,018.837	469,447.937	53,944.276	523,392.212
Fuel Gas Used	MMBTU	0.0	0.0	17,721.260	17,721.260	3,790.097	21,511.357
Fuel Oil Used	MMBTU	0.0	0.0	125,088	125,088	27,385	152,473
Fuel Oil Used	Gallons	2,183.250	15,245.850	469,740.098	487,169.198	61,323.669	548,492.867
Total Fuel	MMBTU	14,841	13,355	11,696	13,297	13,192	13,245
Net Heat Rate	BTU/KWh	1	0	3	4	3	7
Unit Trips	#	0.12	0.92	5.66	4.38	1.63	4.38
Capacity Factor	%	62.78	70.73	70.64	68.05	96.61	75.19
Availability Factor	%	6.6	0	0.03*	0.85	0	0.66
Commercial Unavailability (CU)	%	2,135.500	2,135.500	2,135.500	6,406.500	247.317	8,789.317
Planned Outage Hours	Hours	0.0	0.0	0.0	0.0	5.433	5.433
Maintenance Outage Hours	Hours	579.830	0	6.317	586.15	0	586.15
Forced Outage Hours	Hours	4,580.670	5,031.534	4,580.143	14,192.347	6,905.456	21,097.803
Reserve Shutdown Hours	Hours	13.033	128.966	645.256	787.255	137.790	1,062.089
HW Boiler Gas Usage	MMBTU				4,816.910		4,816.910
Pilot Gas Usage	MMBTU	0	0		0		0

Note: * Calculation does not include 3.317 hours that were Outside Management Control (OMC)

Capacity Testing – FY 2010-2011					
Summer 2010 (June 1- Aug 31)			Winter 2010-2011 (Dec 1- Mar 1)		
Unit	Rated Net Capability (MW)	Reported Net Capability (MW)	Unit	Rated Net Capability (MW)	Reported Net Capability (MW)
1	17	17.20	1	17	*
2	17	18.09	2	17	*
3	102	102.68	3	102	105.61
Van Sant	39	39.30	11	39	43.833
Total	175	178.67	Total	175	149.443

Fuel Oil Inventory							
	Monthly Inventory (Start)	Monthly Inventory (End)	Fuel Purchases (Month)	Monthly Inventory (Change)	FY 10-11 Inventory (Start)	Fuel Purchases (YTD)	FY 10-11 Inventory (Change)
McKee Run (#2 Fuel Oil)	451,200	451,200	0	0	448,556	118,549	2,644
Van Sant (#2 Fuel Oil)	151,358	152,369	0	1,011	143,099	38,079	9,270

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

Van Sant Lifetime through 4/30/11			
	Actual Starts	Factored Starts	Fired Hours
Van Sant	1252	2161.15	4110.66
Since HGP - Dec 2004	201	493.45	727.08

Team Report:

Operations personnel have been labeling substations, motor control centers and circuit breaker cubicles with Arc Flash Warning labels based on the results of the Arc Flash study. The operators have been placing labeling on plant breaker panels and motor control centers throughout the McKee Run plant and Van Sant facility to aid in ensuring arc flash and shock hazards are more identifiable. In addition, workers will be able to more easily identify the appropriate level of PPE necessary to complete an assigned task related to the piece of equipment as well as protect others who may be in the vicinity of the hazard zones.

The Operations staff continues to support maintenance activities during the planned outage by serving as Confined Space Attendants for confined space areas as well as other support tasks. They assisted in the natural gas line purge on Unit 3 in preparation of the installation of new gas valves and in the hydrogen line purge to change out the piping. The Operations staff has also supported the outage by performing various LO/TO tasks needed to test or place equipment in or out or service. .

Operations personnel provided support to maintenance by working on Preventative Maintenance (PM) work orders or other work orders that they have the necessary skills to complete successfully. 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 April, plant maintenance staff continued addressing the backlog of work orders. There were forty work orders issued with ninety-two work orders being completed during the month.

The table below summarizes the monthly work order activities.

Work Order Report				
April - 10				
Priority #	Outstanding From Previous Months	Issued This Month	Completed This Month	Outstanding at the end of the month
1	8	2	6	4
2	22	7	7	22
3	46	7	22	31
4	50	0	4	46
5	11	0	2	9
SW1	0	0	0	0
SW2	2	0	2	0
SW3	0	0	0	0
SW4	0	0	0	0
SW5	0	0	0	0
PM	63	24	49	38
Totals	202	40	92	150
Note: PM's are included in the priority totals				

Notable activities during the month include:

1. Maintenance, IC&E and Operations Staff completed the Unit 1/2 generator hydrogen fill line purge utilizing the NAES SMP-22 gas purge procedure. Safe removal of hydrogen from the piping by a nitrogen purge was completed and removal of the old piping was done. New stainless steel piping was installed and pressure testing will be done prior to hydrogen being introduced back into the line.

2. The condenser cleaning contractor, Projectile Tube Cleaning, with assistance from NAES staff, completed tube cleaning on both condensers. Upon completion of the tube cleaning, each hotwell was flooded above the condenser tubes and no leaks were found.

3. Maintenance staff completed the removal and replacement of the Unit 2 air heater bottom radius seals. Seals were damaged when the soot blower steam piping failed, causing the arm to hit and damage several sections of seals. Replacement on the entire set will help improve overall air heater efficiency.

4. Maintenance staff, with assistance from the City of Dover water department, removed and replaced a fire protection piping spool piece and gasket that had reached the end of its' service life. During the annual fire protection system testing, a gasket was found to have failed and during the replacement of the gasket, it was discovered that the spool piece also needed replacing. The City of Dover water department was contacted for availability of parts. New parts were expedited to the plant, repairs made to the fire protection system and the system returned to service.

5.0 Capital Improvement Projects (CIP)

Project Number	Description	Update
EG1101	Unit 3 Cooling Tower Life Extension	Progress: No other work is planned for this project during the remainder of the fiscal year. Schedule: Work scope development for next year will commence in April 2011.
EG1102	Units 1 & 2 Cooling Tower Life Extension	Progress: The scope of work on the lower, lower decking support and stairways improvement will be completed in May. Schedule: Work is slated to be completed in the Spring 2011 Outage.
EG1103	Unit 3 Turbine Inspection	Progress: Started on the development of the project work scope documents. Schedule: This project has been deferred until 2011-2012 fiscal year.
EG1104	Unit 3 Aux System Components	Progress: Started on the development of the project work scope documents. Schedule: Deferred until 2011-2012 fiscal year.
EG1105	Miscellaneous Capital Equipment Replacements	Progress: This project is for the unexpected capital costs due to equipment failure. Schedule: Funds to date have been used to cover the cost of the Unit 3 600-lb steam station valve repairs, Unit 3 Cooling Water Booster Pump Repairs and circuit breakers.
EG1106	Unit 3 Stack Repairs	Progress: Started on the development of the project work scope document. Schedule: Deferred until 2011-2012 fiscal year.
EG1107	Units 1 & 2 Life Extension	Progress: The scope of work will be completed in early May.During the inspection, additional work was identified as being needed on both units. Schedule: A reduced scope of work will be completed in early May. Other work has been deferred until the 2011-2012 fiscal year.
EG1108	Unit 1 Forced Outage Repairs	Progress: The repair work has been completed. Schedule: This work is complete.
EG1109	Unit 3 FD & ID Fan Damper Upgrade	Progress: Started on the development of the project work scope documents. Schedule: Deferred until 2011-2012 fiscal year.
EG1110	Unit 3 DCS Computers & Software Upgrades	Progress: Started on the development of the project work scope documents. Schedule: Deferred until 2011-2012 fiscal year.
EG1111	Unit 2 Boiler Inspections and Repairs	Progress: Inspections and other repairs were completed during the Fall 2010 Outage. Schedule: Miscellaneous work is being wrapped up to complete the

		project.
EG1112	Unit 3 Air Heater Expansion Joint	Progress: The bid was awarded and expansion joint was installed in April. Insulation and lagging will be installed over the expansion joint in May. Schedule: Work continues with the installation of the insulation and the lagging in May.
EG1113	Units 1 & 2 Controls Modifications	Progress: Work continues with the installation of the wiring and new oil valves. Schedule: Final installation of the control system wiring and system checkout and testing will be completed in late May.
EG1114	Unit 3 Gas Line Modifications	Progress: The gas line was successfully purged and the gas lines were cut for each deck and new gas valves were installed Schedule: Scheduled to be completed in May during the Spring Outage once the system is operationally checked.

5.1 CIP Budget

Project Number	Description	Approved Budget ($ X 1000)	Latest Estimate ($ X 1000)
EG1101	Unit 3 Cooling Tower Life Extension	398	372
EG1102	Units 1 & 2 Cooling Tower Life Extension	173	120
EG1103	Unit 3 Turbine Inspection	348	348
EG1104	Unit 3 Aux System Components	188	188
EG1105	Miscellaneous Capital Equipment Replacements	77	66
EG1106	Unit 3 Stack Repairs	25	25
EG1107	Units 1 & 2 Life Extension	225	225
EG1108	Unit 1 Forced Outage Repairs	412**	424
EG1109	Unit 3 FD & ID Fan Damper Upgrade	45	45
EG1110	Unit 3 DCS Computers & Software Upgrades	30	30
EG1111	Unit 2 Boiler Inspections and Repairs	124##	124
EG1112	Unit 3 Air Heater Expansion Joint	65##	75

EG1113	Units 1 & 2 Controls Modifications	150##	150
EG1114	Unit 3 Gas Line Modifications	60##	60

** This project was not budgeted for 2011.
Project was not in original FY11 CIP but was approved by COD Council in late 2010.

6.0 General Plant Information

Training:

On April 6, Brian Hoyt, Phil Kosek, Ron McNair, and Eric Petty attended DOT/RCRA Hazardous Waste training sponsored by Nexeo Solutions (formerly Ashland). This training encompasses identification, characterization, storage, and handling of facility wastes in compliance with EPA and DOT regulations.

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 as well.

The teams are continuing to train to complete and review their EDQP program. 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.

Personnel:

On April 6, Jeff Luff, Operations Supervisor, submitted his resignation to pursue other interests. His official last day of work was April 20. A celebration was held in the control room on April 19th to acknowledge his friendship, his support to the plant and other plant employees and his almost 30 years of service working at City of Dover facilities.

Other:

Neal Grabow, XL Insurance contractor, was onsite in late April to conduct an annual inspection of the facilities. During his inspection, he toured the plants and reviewed plant documents pertinent to operations, maintenance, safety, environmental and capital projects. He had no new recommendations and was impressed the amount of work activity that had taken place since his site visit last year.

Calendar of Events	Date
Units 1, 2, and 3 Spring Outage	March 28, 2011 – May 23, 3011
EIA-860 Report	April 29, 2011
EIA-923 Report	May 6, 2011
Van Sant 5 Year SPCC Plan Recertification	June 27, 2011
Fiscal Year 2010-2011 Ends	June 30, 2011
PJM Summer Capacity Test Period	June 1, 2011- August 31, 2011
Toxic Release Inventory (TRI) Annual Report	July 1, 2011
Unit 3 RATA Testing	July 29, 2011
McKee Run and Van Sant Title V Semi-Annual Certification Due	August 1, 2011
NOx Ozone Season Starts	May 1, 2011
NOx Ozone Season Ends	September 30, 2011
One Year Accident Free	October 14, 2011
Units 1, 2, 3 and 11 Fall Outage	TBD
Winter Capacity Period	December 1, 2011 to February 28, 2012
McKee Run and Van Sant Title V Annual Certification Due	February 1, 2012
NOx Emissions Reconciliation Due	March 1, 2012
SO2 Emissions Reconciliation Due	March 1, 2012
SARA III Report	March 1, 2012
Annual Van Sant Black Start Test	March , 2012
Units 1, 2, 3 and 11 Spring Outage	TBD
Air Emission Inventory	April 1, 2012
McKee Run Title V Permit Renewal	April 20, 2012

7.0 Summary of NAES Performance to Date

Plant Performance FY 2010-2011						
Measure	Month		Year to Date		YTD Incentive	FY Maximum Incentive
Commercial Unavailability (CU)	0%		0.66%		$63,262	$89,586
Safety	1		1		$8,398	$16,797
Environmental	0		0		$16,797	$16,797
Capacity Tests Completed	Summer	Winter	Summer	Winter		
Unit 1	No	No	Yes	Yes*	$3,360	$3,360
Unit 2	No	No	Yes	Yes*	$3,360	$3,360
Unit 3	No	No	Yes	Yes	$20,157	$20,157
Unit 11	No	No	Yes	Yes	$6,719	$6,719
Total YTD Incentive %	77.85%		***Total YTD Incentive***		$122,052	$156,775

Note - * Unit did not operate in the Winter period and was in the PJM Winter Capacity Test Exemption Program

APPENDICES

I. PJM INVOICE BREAKDOWN

The PJM bill is a record of all Electricity Transactions, Transmission Services, Ancillary Services and Miscellaneous fees that allow the PJM to operate. Below is a list of the line items on the PJM bill including all generator activity.

PJM Bill Line Items	Gen	Load	Net
Day Ahead Energy	$0.00	($372,352.18)	($372,352.18)
Realtime Energy	$0.00	($15,702.66)	($15,702.66)
Transmission Losses Credits	$0.00	$34,387.23	$34,387.23
Network Integration Transmission Service Charges	$0.00	($257,192.70)	($257,192.70)
Inadvertent Interchange Charges	$0.00	($2,735.43)	($2,735.43)
Regulation Charges	$0.00	($17,288.98)	($17,288.98)
Synchronized Reserve Charges	$0.00	($20,933.43)	($20,933.43)
Balancing Operating Reserves Charges	$0.00	($5,109.98)	($5,109.98)
Day Ahead Operating Reserves Charges	$0.00	($5,332.53)	($5,332.53)
Day-ahead Scheduling Reserve	$0.00	($27.06)	($27.06)
Synchronous Condensing Charges	$0.00	($13.83)	($13.83)
Reactive Services Charges	$0.00	($52,837.50)	($52,837.50)
Meter Correction Charges	$0.00	$3,477.19	$3,477.19
Day-ahead Operating Reserve for Load Response	$0.00	$0.00	$0.00
Balancing Operating Reserve for Load Response	$0.00	$0.00	$0.00
Balancing Operating Reserves Credits	$0.00	$0.00	$0.00
Day Ahead Operating Reserves Credits	$0.00	$0.00	$0.00
Locational Reliability Charges	$0.00	($1,045,193.40)	($1,045,193.40)
Capacity Transfer Rights Credits	$0.00	$1,689.30	$1,689.30
Capacity Resource Deficiency Credits	$0.00	$0.30	$0.30
Demand Response and ILR Compliance Penalty Credits	$0.00	$0.00	$0.00
RPM Auction Credits	$970,188.00	$0.00	$970,188.00
Auction Revenue Rights Credits	$0.00	$30,433.80	$30,433.80
Synchronized Reserve Credits	$0.00	$0.00	$0.00
PJM Scheduling System Control and Dispatch Service Charges	$0.00	($13,831.66)	($13,831.66)
Transmission Owner Scheduling System Control and Dispatch Service Charges	$0.00	($4,120.12)	($4,120.12)
Reactive Supply and Voltage Control from Generation Sources Service Charges	$0.00	($31,721.12)	($31,721.12)
Reactive Supply Credit	$29,467.58	$0.00	$29,467.58
Black Start Service Charges	$0.00	($1,207.84)	($1,207.84)
North American Electric Reliability Corporation (NERC) Charge	$0.00	($482.43)	($482.43)
Reliability First Corporation (RFC) Charges	$0.00	($731.96)	($731.96)
Expansion Cost Recovery Charges	$0.00	($408.60)	($408.60)
Transmission Enhancement Charges	$0.00	($16,003.08)	($16,003.08)
Black Start Service Credits	$4,544.50	$0.00	$4,544.50
Non-Firm Point-to-Point Transmission Service Credits	$0.00	$542.26	$542.26
Generation Deactivation	$0.00	$741.04	$741.04
Market Monitoring Unit (MMU) Funding	$0.00	($281.06)	($281.06)

Organization of PJM States, Inc. (OPSI) Funding	$0.00	($34.38)	($34.38)
FERC Annual Recovery	$0.00	($3,121.95)	($3,121.95)
PJM Annual Membership	$0.00	$0.00	$0.00
EFOR-P	$0.00	$0.00	$0.00
DPL Settlement B	$0.00	$508.07	$508.07
PPA	$0.00	($625.50)	($625.50)
	$1,004,200.08	**($1,795,510.19)**	**($791,310.11)**

II. LOAD, ALL IN ENERGY AND ALL IN COST OF SERVICE TABLE

	Budget Load (MWh)	Actual Load (MWh)	Budget AIE ($/MWh)	Actual AIE ($/MWh)	Actual YTD AIE ($/MWh)	Budget AICS ($/MWh)	Actual AICS ($/MWh)	Actual YTD AICS ($/MWh)
Jul	**83,163**	**83,163**	**$90.72**	**$90.72**	**$90.72**	**$81.36**	**$81.36**	**$81.36**
Aug	**78,755**	**78,755**	**$82.76**	**$82.76**	**$86.85**	**$83.03**	**$83.03**	**$82.17**
Sep	**66,782**	**66,782**	**$82.73**	**$82.73**	**$85.65**	**$91.13**	**$91.13**	**$84.79**
Oct	**56,452**	**56,452**	**$79.72**	**$79.72**	**$84.47**	**$87.24**	**$87.24**	**$85.27**
Nov	**54,396**	**54,396**	**$82.56**	**$82.56**	**$84.17**	**$91.56**	**$91.56**	**$86.28**
Dec	**63,566**	**63,566**	**$87.33**	**$87.33**	**$84.67**	**$98.22**	**$98.22**	**$88.16**
Jan	**60,136**	**64,462**	**$86.66**	**$91.77**	**$85.65**	**$94.36**	**$97.13**	**$89.40**
Feb	**54,199**	**54,900**	**$85.32**	**$84.37**	**$85.51**	**$94.11**	**$92.95**	**$89.77**
Mar	**56,334**	**57,414**	**$85.66**	**$81.75**	**$85.14**	**$93.39**	**$89.70**	**$89.77**
Apr	**52,554**	**54,359**	**$83.85**	**$81.20**	**$84.80**	**$92.99**	**$89.53**	**$89.74**
May	58,744		$79.63			$85.58		
Jun	67,331		$80.51			$96.23		

III. GLOSSARY

Energy Only Unit Cost ("EOU") accounts for the wholesale energy costs **excluding** capacity obligations, capacity credits for Dover-owned generation, generation revenues, generating plant costs, the black start ancillary services credit for the Van Sant plant, and revenues associated with the sale of emission allowances. The AIE includes the costs from settling the hedged or forward transactions; the energy bought on the ISO (Independent System Operator or PJM) day-ahead to cover the open position (un-hedged); load following costs associated with balancing the actual load in the ISO real-time market; energy management service related fees; the ISO transmission charges and credits to load serving entities; the ISO ancillary services charges such as generation regulation, spinning reserve, and reactive power; and the ISO administrative charges and cost of service recovery fees.

All In Cost of Service ("AICS") accounts for the net cost of wholesale power to the City of Dover Electric Utility. The AICS starts with the AIE and adds the costs or credits from capacity obligations, capacity credits for Dover-owned generation, generation revenues, generating plant costs, the black start ancillary services credit for the Van Sant plant, and revenues associated with the sale of emission allowances.

Black Start is a generating ancillary service that is the process of restoring a generating plant to service without the support of an external power supply to power auxiliary equipment needed for start up operations.

Capacity UCAP Obligated Purchased is the obligation and payment by all load serving entities in PJM including Dover for the Unforced Capacity (UCAP) requirement from PJM that satisfies the PJM reserve requirements.

Generation Capacity Credit: is the credit provided to generators for supply capacity to the system. The price is determined by the PJM Reliability Pricing Market auction process that includes three auctions for each capacity year.

Generation Production Margin accounts for the variable margin excluding variable O&M and emissions. The Generation Production Margin is calculated by taking the PJM revenues credited to the plant including any balancing charges or credits less the fuel costs. Generation Production Margin includes both "Economic and reliability dispatch" and "Testing." Economic and reliability dispatch equals the margin achieved when Dover's generating plants are dispatched by PJM for either economic dispatch (the system energy price is greater than the Dover bid price) or reliability dispatch whereby PJM pays the generating cost of the plants for the hours the plant is run to support the system. Generation Testing equals the Generation Production Margin associated with testing. This is usually expected to be a negative margin because the plant is potentially being dispatched / run when energy prices do not cover its costs.

Non-Production Revenue equals the credits from PJM to Dover for Generation Capacity Credit, the Black Start Revenue and the sales by Dover of Emission Allowances.

4401 Fair Lakes Court
Fairfax, VA 22033 USA
Phone: 1.703.818.9100
www.paceglobal.com

City of Dover

March Monthly Report

Energy and Operations Management

April 28, 2011

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Further, certain statements, findings and conclusions in this Report are based on Pace Global's interpretations of various contracts. Interpretations of these contracts by legal counsel or a jurisdictional body could differ.

PACE GLOBAL

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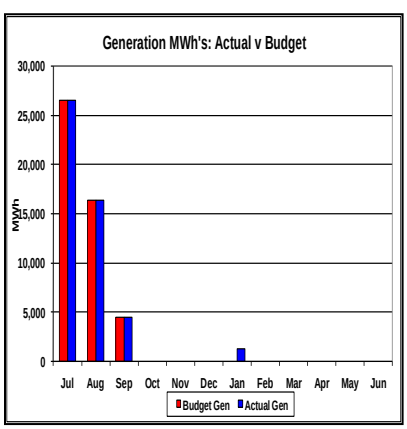
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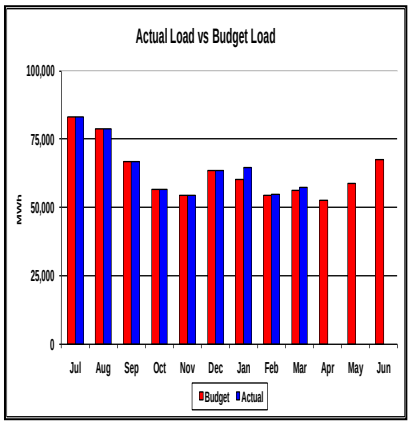
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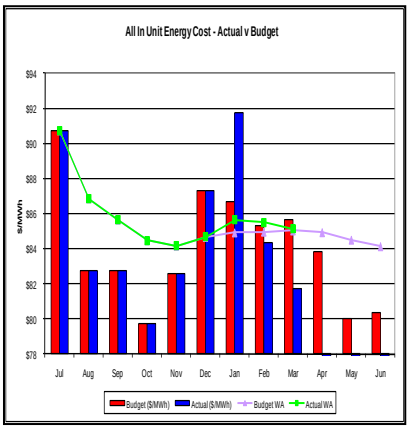
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1.0 – EXECUTIVE SUMMARY







Purchased Power Management

Wholesale load for the month of March was 57,414 MWhs, versus a weather normalized projected load of 56,334 MWhs. Hedged transactions accounted for 48,155 MWhs or 84% of this volume (85% of forecasted load) at a cost of $3.72 million. Spot Market purchases resulted in a PJM charge of $453 thousand (a $506 thousand charge in the Day Ahead market and a $53 thousand credit in the Real Time market). Other PJM related charges accounted for an additional cost of $1.41 million, inclusive of all load related fees. The March Energy Only Unit Cost, excluding capacity obligations and credits, was $3.91/MWh favorable compared to the budgeted value of $85.66/MWh. On January 24, 2011, the City of Dover reviewed and approved Pace's and NAES' submittal of a revised budget for Dover's FY2010-11 (the "Reset Budget"). The purpose of this Reset Budget was to provide a mid-year update as to the anticipated cost-of-service for the FY2010-11. Dover's projected all in Cost of Service for FY2010-2011 is $88.78/MWh, or $1.88/MWh favorable as compared to the Reset Budget[1].

Generation and Asset Management

For the month of March the McKee Run and Van Sant units were not dispatched into the PJM market. A relatively low average for on-peak LMPs during the month demonstrated that the PJM system did not generally require support from peaking units. Van Sant unit performed a planned outage from March 14 to 24 and the Units at McKee started a planned outage on March 28 that will last until May23. After several testing attempts, Van San unit successfully completed the annual Black Start Test. The budget did not project generation for this month.

Emissions Allowance Management

[1] The projected all in Cost of Service is based on YTD actual results for 8 months and 4 months of projected costs. The Reset Budget was reviewed and approved by City of Dover.

Given the regulatory uncertainty surrounding the allowance markets, Dover has elected not to include revenues from emission allowance sales in its 2010-2011 fiscal year budget. Dover purchased and retired 53 NO_X seasonal allowances on November 23rd 2010, in order to meet its 2010 NO_X seasonal compliance position. Additionally, Dover purchased 22 NO_X annual allowances on February 11, 2011, in order to cover its 2010 NO_X annual compliance position. In January 2011, Dover was allocated 1,988 SO_2 allowances, 42 NO_X seasonal allowances, and 76 NO_X annual allowances. Pace has set aside a projected number of allowances to handle estimated dispatch events for the year (see Exhibit 1).

Exhibit 1: Emissions and Allowance Summary through March 31, 2011

2010-2011 EMISSIONS & ALLOWANCE SUMMARY								
		SO_2			NO_x			
Date	Action	Allowance Allocation	Sale Price	Revenue[1]	Allowance Allocation[2] Seas.	Allowance Allocation[2] Ann.	Sale Price	Revenue[1]
1/1/08	2007 Carryover	549			0	--	--	--
1/1/09	2008 Carryover	2,691			0			
1/1/09	2009 Allocation	2,723	--	--	53	80	--	--
2/1/10	2010 Allocation	1,988			50	78		
1/1/11	2011 Allocation	1,988			49	76		
N/A	2003-2006 Carryover	139						
9/29/09	SO2 Sales	(1,500)						
11/12/09	NO_X Ann. Sales					(45)		
11/13/09	SO2 Sales	(1,410)						
11/20/09	NOx Seas. Sales				(25)			
12/31/09	2009 YTD Emissions[3]	(1)	--	--	(6)	(13)	--	--
12/31/10	2010 YTD Emissions	--	--	--	(54)	(54)	--	--
10/31/10	EPA Linearity Testing Req.				(68)	(68)		
2011	2010 Deficit NOx Purchases				53	22		
12/31/11	2011 YTD Emissions	(2)				(2)		
Totals - Allowances		**3,189 pre-CAIR 3,976 CAIR[3]**	**--**	**$0**	**52**	**74**	**--**	**$0**

	$0
	$0
Total Revenue	**$0**

Notes:

(1) Revenue calculations account for a $.50/ton broker fee for SO_2, $10/ton broker fee for NO_x annual and $5/ton broker fee for NO_X seasonal.

(2) Per the Clean Air Interstate Rule, in 2009, NOx emissions will be governed by a seasonal and annual program. The NO_x seasonal emissions pertain only to emissions (May 1 – Sep 30), similar to the previous trading regimen. Annual emissions cover the entire year.

(3) CAIR allowances are retired at a rate of 2 allowances for each ton emitted. Pre-CAIR allowances retain a 1 allowance to 1 ton value for compliance. It is assumed that pre-CAIR allowances will be retired before CAIR allowances.

Given current dispatch expectations, the market value of the remaining 2007-2011 Dover allowance inventory is approximately $44,918 at the time of this report. This represents 3,189 pre-CAIR SO_2 allowances trading at $6/ton, 3976 post-CAIR SO_2 allowances trading at $4/ton, 52 NO_x annual allowances trading at $170/ton, and 52 NO_x seasonal allowances trading at $20/ton.

EMISSIONS & ALLOWANCE SUMMARY Through March 31, 2011						
Allowance Vintage	Allowance Allocation	Emissions Month	Emissions	Allowances Sold Month	Allowances Sold	Allowance Balance
SO_2 – 2007-10	10,157	N/A	131	N/A	4,847	5,179
SO_2 – 2011	1,988	0	2	0	0	1,986
NO_x Annu – 2009	80	0	13[2]	0	45	22
NO_x Seas – 2009	53	0	6	0	25	22
NO_x Annu – 2010	78	0	122	0	(22)	(22)
NO_x Seas – 2010	50	0	122	0	(53)	(19)
NO_x Annu – 2011	76	0	2	0	0	74
NO_x Seas – 2011	49	0	0	0	0	49

Operations Management Summary

During the month of March, there were no reportable or lost time accidents or injuries. The facility has now gone 168 days without an OSHA recordable accident and 168 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued. There were no near miss events. There were no opportunities to generate during the month and no units were dispatched for PJM. Planned outage on Unit 11 was completed on March 24. A black start test was successfully completed on that unit during the month. McKee Run Units 1, 2 and 3 started a planned outage on March 28.

Monthly Budget Variance - The actual expenses attributable to O&M of the two sites for the month of March were $414,919. The expenses were $47,908 or 13.05% over the approved budget of $367,011[3]. The principal reason for the negative variance is due to timing of insurance expenses and higher than budgeted expenses in electric, heating oil and gas,and boiler systems repairs.

[2] Approximately 10 tons of NOx emissions resulted from the February 2010 McKee Run testing associated with the Pollution Remediation project and the June 2010 emission testing project.
[3] NAES will reflect the reset monthly and year-to-date financial data starting on April 2011 Monthly Report.

Risk Management Summary

Forward PJM power prices rose slightly since the last reporting period. Prices increased largely due to more moderate temperatures sweeping across much of the country combined with more bullish storage numbers. Forward Dover Zone power prices for FY 2010-11 increased by $0.16/MWh (an increase of 0.31%) since the last reporting period while FY 2011-2012, FY 2012-2013, FY 2013-2014, and FY 2014-2015 all increased by approximately $0.02/MWh to $0.47/MWh (representing a range of 0.03% increase and a 0.78% increase, respectively) compared with the last reporting period.

The individual years' hedge ratios and Cost-of-Service projections are shown in the table below:

Wholesale Cost-of-Service Summary (Projected)

Date 4/21/2011	**Budget**		**April**		**Mar**	**Feb**
Power Year	Cost-of-Service Budget	Cost-of Service $/MWh[1]	Hedge Ratio	Year-to Year Increase	Cost-of Service $/MWh	Cost-of Service $/MWh
2010-2011	$82.15	$85.65	90%	-3.9%	$85.82	$85.65
2011-2012	N/A	$79.53	85%	-7.1%	$79.49	$78.94
2012-2013	N/A	$73.02	76%	-8.2%	$73.01	$72.22
2013-2014	N/A	$71.96	48%	-1.4%	$71.87	$70.08
2014-2015	N/A	$71.75	16%	-0.3%	$71.38	$68.08

[1] *Note that the "Cost-of-Service" column does not reflect the SREC benefit the City will receive since the SREC prices are currently unknown*

**Difference in COS from asset management due to generation & O&M*

***Not inclusive of budget update*

2.0 – BUDGET REPORT

2.1 – VARIANCE REPORT

	Budget Mar-11	Actual Mar-11	Variance Mar-11
Load Forecast	**56,334**	**57,414**	**(1,080)**
Power Supply			
Power Supply	$3,770,779	$3,724,992	$45,787
Power Supply Management	$186,705	$183,766	$2,939
Capacity Charges - Load	$1,078,286	$1,078,287	($1)
PJM Charges - Load	$867,876	$784,844	$83,032
Total - Power Supply	**$5,903,646**	**$5,771,889**	**$131,757**
Generation			
Plant Operations	$394,011	$414,918	($20,907)
Generation Fuel	$0	$0	$0
Capacity Credits	($1,002,527)	($1,002,528)	$0
PJM Credits	($34,012)	($34,012)	$0
Total - Generation	**($642,529)**	**($621,622)**	**($20,907)**
Emission Allowance Sales			
Total - Emission Allowance Sales	**$0**	**$0**	**$0**
Total Power Supply & Generation	**$5,261,118**	**$5,150,267**	**$110,850**
Total Power Supply, Generation & Emission Sales	**$5,261,118**	**$5,150,267**	**$110,850**
Unit Costs			
Total – Power Supply	$104.80	$100.53	$4.27
Total - Generation + Emission Sales	($11.41)	($10.83)	($0.58)
Final Cost of Service to City of Dover Ratepayers	**$93.39**	**$89.70**	**$3.69**

	Budget YTD	Actual YTD	Variance YTD
Load Forecast	**573,782**	**579,890**	**(6,107)**
Power Supply			
Power Supply	$36,491,581	$36,352,866	$138,715
Power Supply Management	$1,754,610	$1,748,804	$5,806
Capacity Charges - Load	$9,528,616	$9,528,618	($2)
PJM Charges - Load	$10,544,919	$11,269,830	($724,911)
Total - Power Supply	**$58,319,726**	**$58,900,118**	**($580,392)**
Generation			
Plant Operations	$4,359,366	$4,290,634	$68,732
Generation Fuel	$3,138,177	$3,376,054	($237,877)
Capacity Credits	($8,872,343)	($8,872,344)	$0
PJM Credits	($5,380,567)	($5,652,247)	$271,680
Total - Generation	**($6,755,368)**	**($6,857,902)**	**$102,535**
Emission Allowance Sales			
Total - Emission Allowance Sales	**$11,695**	**$11,695**	**$0**
Total Power Supply & Generation	**$51,564,358**	**$52,042,216**	**($477,858)**
Total Power Supply, Generation & Emission Sales	**$51,576,053**	**$52,053,911**	**($477,858)**
Unit Costs			
Total – Power Supply	$101.64	$101.57	$0.07
Total - Generation + Emission Sales	($11.75)	($11.81)	$0.05
Final Cost of Service to City of Dover Ratepayers	**$89.89**	**$89.77**	**$0.12**

2.2 – VARIANCE ANALYSIS

Power Supply

- Power Supply realized a favorable $46 thousand variance compared to the budget. This favorable variance was primarily due to the timing of Dover's options purchase and payment of the associated premium. During FY2009-10 the City of Dover purchased Options as insurance to protect Dover from incremental energy cost exposure. The current City of Dover power supply and generation budget indicates that 100% of this purchase was expensed as a Power Supply Cost in the FY2009-10 period; however the FY2010-11 budget accrues this expense monthly.

- PJM Charges for Load experienced a positive $83 thousand variance relative to the monthly budget. This variance was driven by Dover's load following position, which was $194 thousand favorable compared to budget. In addition, Dover realized a $17 thousand favorable variance in Basis costs. Offsetting these favorable variances included i) a $96 thousand unfavorable variance in Open Position, which was 13% higher than budget; ii) a $16 thousand unfavorable variance in Transmission Rights Credits; and iii) a $10 thousand unfavorable variance in PJM Ancillary charges.

- For the month the City realized a $129 thousand favorable net variance between Power Supply (fixed positions) and PJM Charges for Load (open positions, transmission, etc.). The change in volume resulted in an unfavorable $85 thousand variance, and the change in price resulted in a favorable $214 thousand variance. Hence, all of the favorable variance can be attributed to pricing changes.

- The Power Supply Management variance is merely an estimate at this point.

Generation

- Plant O&M reported an unfavorable variance of $21 thousand compared to the monthly O&M reset Budget of $434 thousand ($48 unfavorable variance compared to the original budget of $367 thousand). Higher than projected utilities and boiler repair cost; and the timing of insurance expenses created the unfavorable variance.

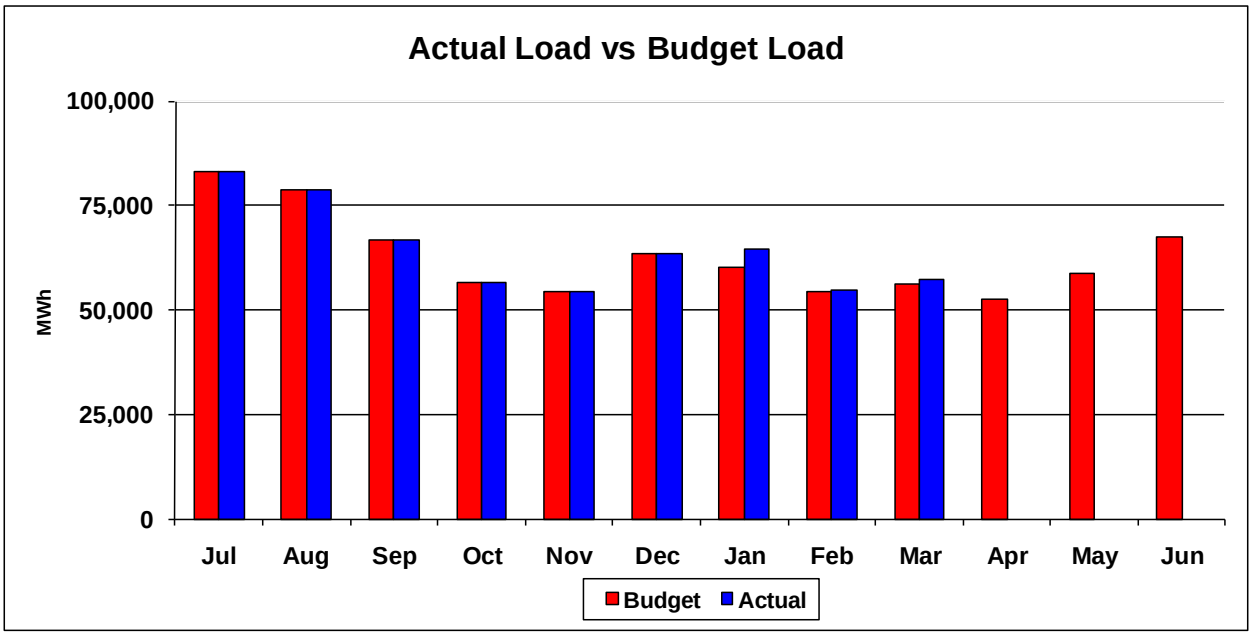
3.0 – ENERGY MANAGEMENT

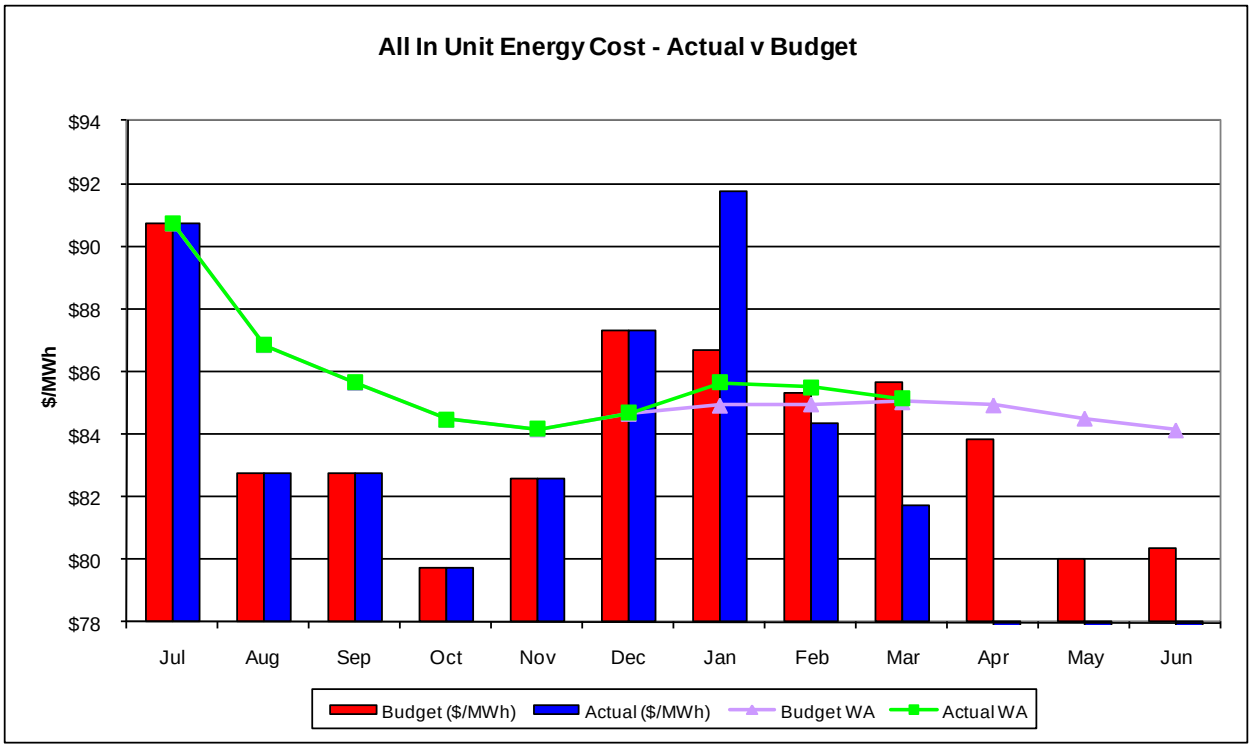
3.1 – PURCHASED POWER

Management Highlights

- Dover's March load was 57,414 MWh, which was 1.9% above the weather normalized load of 56,334 MWh. Hedge volumes accounted for 84% of actual load for the month.

- The March All In Unit Energy cost (excluding capacity) of $81.75 per MWh is $3.91 per MWh lower than the monthly budget.




All In Unit Energy Cost - Actual v Budget
$/MWh
$94
$92
$90
$88
$86
$84
$82
$80
$78
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Budget ($/MWh)
Actual ($/MWh)
Budget WA
Actual WA

Purchased Power Variance Report

	Budget Mar-11	Actual Mar-11	Variance Mar-11
City of Dover Load			
Load Obligation (MWh)	56,334	57,414	(1,080)
Unit Energy Costs ($ per MWh)			
Energy Cost (inc. Load Following & Pace Fees)	$78.24	$74.20	$4.04
Pass Through	$6.49	$6.64	($0.15)
Incentive Fees	$0.93	$0.91	$0.02
Total - All In Unit Energy Cost	**$85.66**	**$81.75**	**$3.91**

Purchased Power Variance Analysis

- The actual Dover load of 57,414 MWh was 1.9% above the projected March load of 56,334 MWh.

- The All In Unit Energy Cost was $3.91 per MWh lower than budget due to a decreased load following and basis charges. Offsetting these positive variances were due to an increased open volume and energy price purchases, an unfavorable PJM Ancillary charges and a lower than projected transmission related refunds.

- The Management Incentive fee variance on a $/MWh basis is merely an estimate at this point.

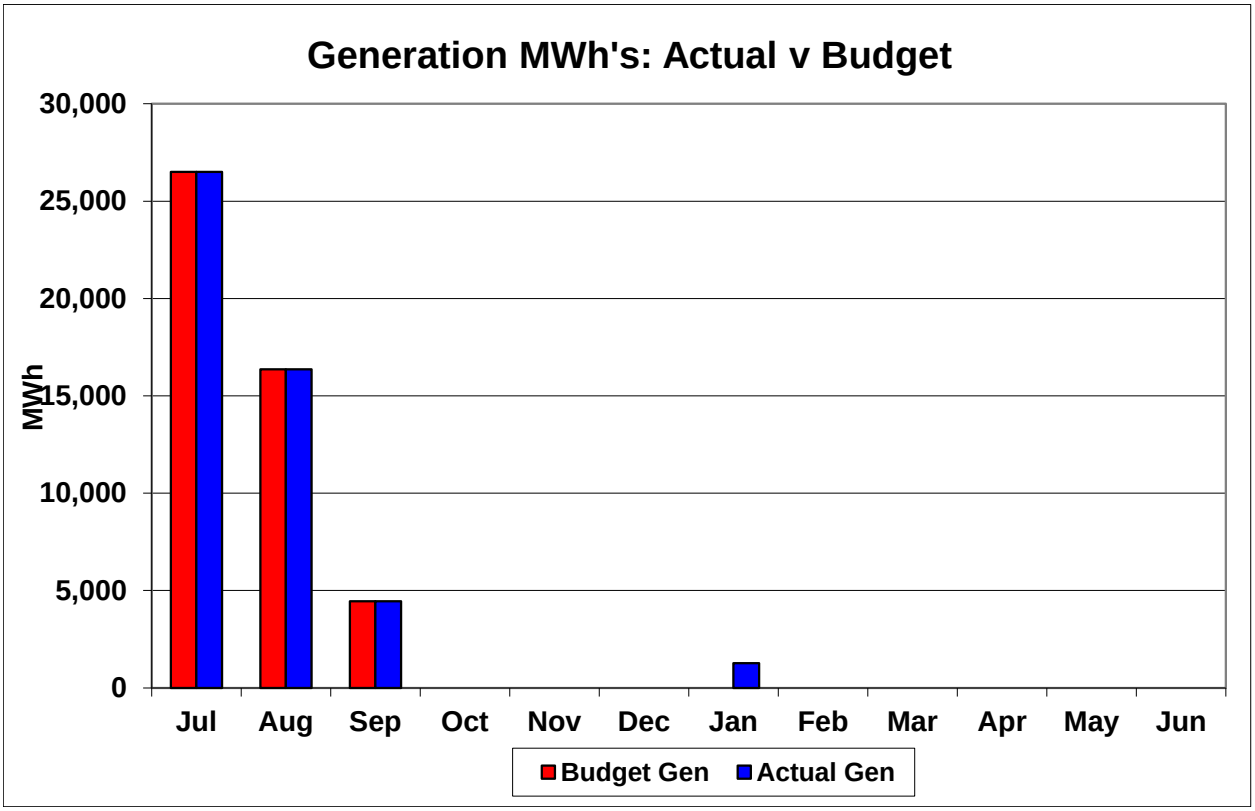
PJM Power Balancing and Load Related Fees

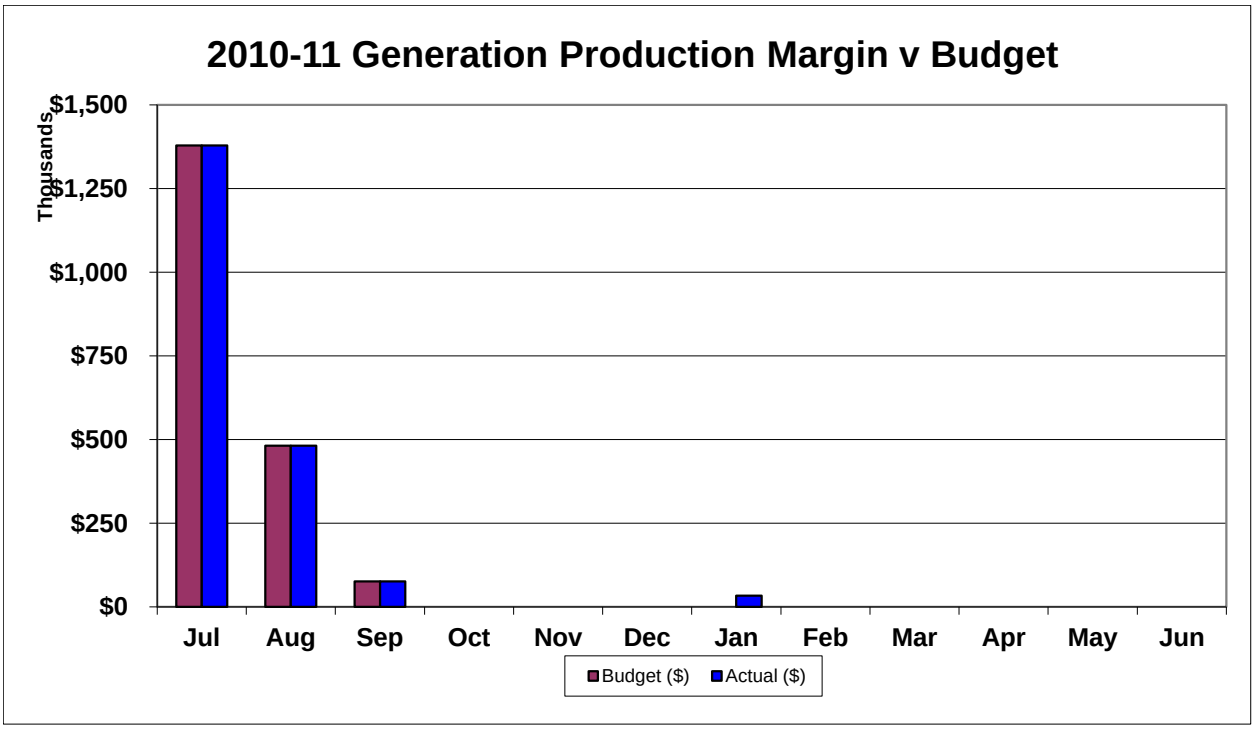
Purchased Power (Hedges): 48,155 MWhs @ $77.35/MWh:	$3,724,992
Power Balancing; Additional PJM, and Energy Manager Fee[4]:	$2,046,897
Total Cost to Serve Load (57,414 MWhs)	$5,771,889
All In $/MWh load cost inclusive of Energy Management Fees:	**$100.53/MWh**

[4] Includes estimated Incentive Fees.

3.2 – GENERATION MANAGEMENT

- During the month, PJM did not dispatch Dover's units into the market. Van Sant unit was under a planned outage for approximately 10 days and the McKee units started a planned outage on March 28 that will last until May 23. For the month, Van San unit successfully completed the annual Black Start Test. The budget did not project generation for this month.




2010-11 Generation Production Margin v Budget
Thousands
$1,500
$1,250
$1,000
$750
$500
$250
$0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Budget ($)
Actual ($)

Generation Management Variance Report

	Budget Mar-11	Actual Mar-11	Variance Mar-11
Self-Supplied Capacity from Gen (MW)			
McKee Run 1	17	17	0
McKee Run 2	17	17	0
McKee Run 3	100.3	100.3	0
Van Sant	39	39	0
Self Supplied Capacity from Gen (MW)	**173.3**	**173.3**	**0**
Additional Capacity from PJM Incremental Auction	**1.7**	**1.7**	**0**
Total Capacity from Gen (MW)	**175**	**175**	**0**
Gen Capacity Sales to PJM ($/MW.d)	$186.12	$186.12	$0.00
Incremental Auction Sales to PJM ($/MW.d)	$50.00	$50.00	$0.00
Power Sales			
Power Sales (MWh)	0	0	0
Sales Revenue ($ per MWh)	$0.00	$0.00	$0.00
Power Sales Revenue ($)	**$0**	**$0.00**	**$0**
Variable Fuel & Transport			
Fuel Oil No.2 Volume - McKee (gal)	0	0	0
Fuel Oil No.2 - McKee ($/gal)	$0.00	$0.00	$0.00
Fuel Oil No.2 Cost of Goods Sold - McKee ($)	$0	$0.00	$0
Fuel Oil No.2 Volume - Van Sant (gal)	0	0	0
Fuel Oil No.2 - Van Sant ($/gal)	$0.00	0.00	$0.00
Fuel Oil No.2 Cost of Goods Sold - Van Sant ($)	$0.00	0.00	$0.00
Gas Volume (Dth)	0	0	0
Unit Gas Price ($/Dth)	$0.00	0	$0.00
Variable Gas Cost ($)	$0.00	0	$0.00
Transport ($)	$0.00	0	$0.00
Variable Gas and Transport Costs ($)	$0.00	$0.00	$0.00
Variable Fuel & Transport Costs ($)	**$0**	**$0.00**	**$0**
Testing	$0.00	$0.00	$0.00
Generation Production Margin	**$0.00**	**$0.00**	**$0.00**
Generation Capacity Payment			
Total - Generation Capacity Payment	**($1,002,527)**	**($1,002,528)**	**$0**

Generation Management Variance Analysis

Fuel Expense

- PJM did not dispatch Dover's units into the market, nor did the units consume natural gas or fuel oil related to power generation.

Generation Production Margin		
Transaction	Volumes	Revenue/(Cost)
PJM Invoice for Power Sold	0 MWhs	$0
Fuel and Transport	0 Dth gas/ 0 gal #2 oil 0 gal #2 oil Low Sulfur	$0
Generation Production Margin	0 MWhs	$0

The following non-production energy revenues and costs are generally fixed and are not directly related to generation dispatch and power production. Effective September 2009 FERC approved the City of Dover's reactive supply service compensation resulting in approximately $29 thousand of revenue per month.

PJM Invoice (Black Start)	$4,545
Reactive Supply Credit	$29,468
Fuel Oil Tank Heating & Black Start Gas Supply	$0
Eastern Shore Demand Charge	$0
Eastern Shore Transport and Imbalance Charge	$0
Transco Demand Charge	$0
Non-Production Energy Revenue/(Costs)	$34,013

Fuel and Transportation

- During the month there were no unit dispatches by PJM.

Date	Volume (Dth)	Price ($/Dth)	Total Commodity Cost ($)
Hess Corp			
Sub-Total	0	$0.00	$0.00
PESCO			
Sub-Total	0	$0.00	$0.00
NJNG			
Sub-Total	0	$0.00	$0.00
Total	**0**	**$0.00**	**$0.00**

Due to the conversion from #6 residual oil to low sulfur #2 oil, the need for a constant supply of natural gas to heat the #6 oil is no longer required. Some gas will still be required for winter space heating of the building(s). Pace will coordinate with NAES on the procurement of such supply. This expense will now fall under the plant's utility costs and be paid and budgeted for by the station.

Gas Transportation Purchased

City of Dover decided not to renew agreements with the Eastern Shore Natural Gas Pipeline ("ESNG") and TransCo to provide firm natural gas deliveries to the McKee Run and Van Sant stations. The City of Dover previously notified ESNG and TransCo of its intent to terminate these existing firm capacity agreements and, as a result, the City no longer pays firm demand charges or adjustments.

ESNG FT Demand Charge	$ 0
TransCo FT Demand Charge	$ 0
Total Purchases	$ 0

Other Gas Purchases

Commodity and transportation imbalances on Eastern Shore Pipeline for the month resulted in no charge. The components of this charge are summarized as follows:

Eastern Shore Transport and Imbalance Charges			
Imbalance/Dth	Estimated Cost/Dth	Estimated Total Cost	
0	$0.00	$0.00	
Transport	Volume/Dth	$/Dth	Total Cost
Firm/IT	0	$0.00	$0.00
Net Charge	$0.00		

Purchased Commodity Fuel Oil Summary

Neither McKee Run nor Van Sant was dispatched into PJM and no #2 fuel oil was consumed for the month. The McKee Run tank must maintain 3 days of load equivalent dispatches for its units.

The McKee Run tank must maintain 3 days of load equivalent dispatches for its units.

Tank Inventory Estimates as of March 31			
Tank	Tank Capacity (gallon)	Inventory In (gallon)	Days of Burn (Typical Dispatch[5])
McKee Run (#2 Fuel Oil)	2,554,105	451,200	3
Van Sant (#2 Fuel Oil)	258,000	151,358	3

[5] As measured by tank level instruments. Tank levels may change due to oil temperature.

3.3 – EMISSIONS AND ALLOWANCE MANAGEMENT

Given the regulatory uncertainty surrounding the allowance markets, Dover has elected not to include revenues from emission allowance sales in its 2010-2011 fiscal year budget. Dover purchased and retired 53 NO_X seasonal allowances on November 23rd 2010, in order to meet their 2010 NO_X seasonal compliance position. Additionally, Dover purchased 22 NO_X annual allowances on February 11, 2011, in order to cover its 2010 NO_X annual compliance position. In January 2011, Dover was allocated 1,988 SO_2 allowances, 42 NO_X seasonal allowances, and 76 NO_X annual allowances. Pace has set aside a projected number of allowances to handle the estimated dispatch events for the year (see Exhibit 1).

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2010-2011 EMISSIONS & ALLOWANCE SUMMARY								
		SO_2			NO_x			
Date	Action	Allowance Allocation	Sale Price	Revenue[1]	Allowance Allocation[2]		Sale Price	Revenue[1]
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1/1/09	2009 Allocation	2,723	--	--	53	80	--	--
2/1/10	2010 Allocation	1,988			50	78		
1/1/11	2011 Allocation	1,988			49	76		
N/A	2003-2006 Carryover	139						
9/29/09	SO2 Sales	(1,500)						
11/12/09	NO_x Ann. Sales					(45)		
11/13/09	SO2 Sales	(1,410)						
11/20/09	NOx Seas. Sales				(25)			
12/31/09	2009 YTD Emissions[3]	(1)	--	--	(6)	(13)	--	--
12/31/10	2010 YTD Emissions	--	--	--	(54)	(54)	--	--
10/31/10	EPA Linearity Testing Req.				(68)	(68)		
2011	2010 Deficit NOx Purchases				53	22		
12/31/11	2011 YTD Emissions	(2)				(2)		
Totals - Allowances		**3,189 pre-CAIR 3,976 CAIR[3]**	**--**	**$0**	**52**	**74**	**--**	**$0**
								$0
								$0
							Total Revenue	**$0**

Notes:

(1) Revenue calculations account for a $.50/ton broker fee for SO_2, $10/ton broker fee for NO_x annual and $5/ton broker fee for NO_X seasonal.

(2) Per the Clean Air Interstate Rule, in 2009, NOx emissions will be governed by a seasonal and annual program. The NO_x seasonal emissions pertain only to emissions (May 1 – Sep 30), similar to the previous trading regimen. Annual emissions cover the entire year.

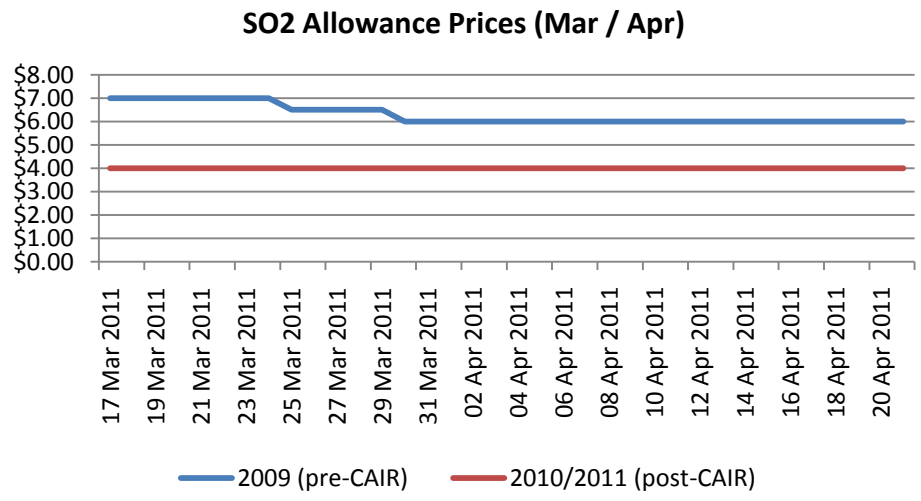
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Given current dispatch expectations, the market value of the remaining 2007-2011 Dover allowance inventory is approximately $44,918 at the time of this report. This represents 3,189 pre-CAIR SO_2 allowances trading at $6/ton, 3976 post-CAIR SO_2 allowances trading at $4/ton, 52 NO_x annual allowances trading at $170/ton, and 52 NO_x seasonal allowances trading at $20/ton.

SO_2

SO_2 allowances continue to have little value in the market, trading below $10/ton for all of 2011 (see Figure 1 – SO2 Prices since Last Monthly Report). The major brokerage houses are reporting very few transactions in the market. Market participants continue to wait for final rules regulating the markets, and even then the value of existing SO_2 allowances are unlikely to return to levels we saw two and three years ago.

Figure 1 – SO_2 Prices since Last Monthly Report



NO_x

NO_X annual allowance prices have continued to decline after the March 1st compliance deadline for 2010 emissions, trading most recently at near record lows (See Figure 2 – NOX annual prices since last monthly report.) With the increasing likelihood that existing allowances will not carry over into the new regulatory program, NO_X allowance prices could be volatile during the remainder of 2011, particularly if we see a spike in emissions like we did during the summer of 2010.

NO_X seasonal prices lost $10/ton trading most recently at $20/ton (See Figure 3 – NOX seasonal prices since last monthly report.)

Figure 2 – NO_X annual prices since last monthly report

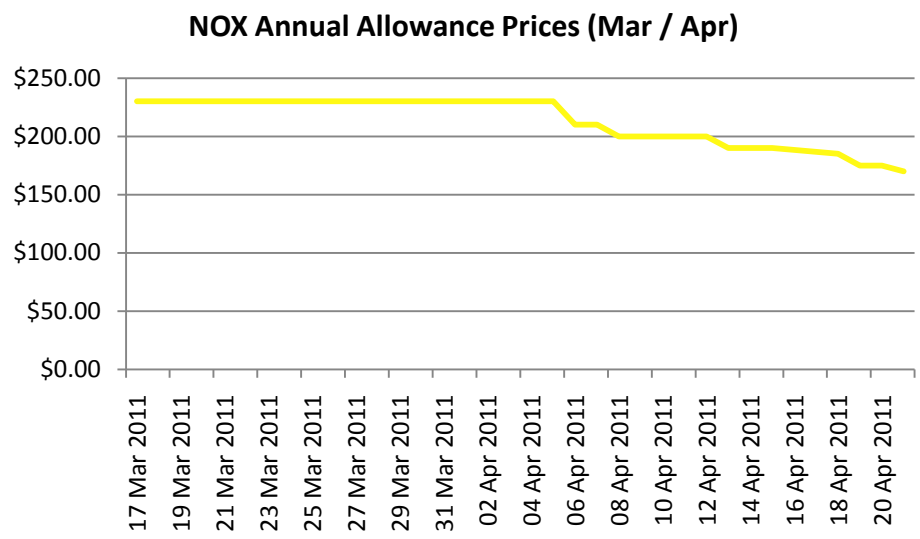
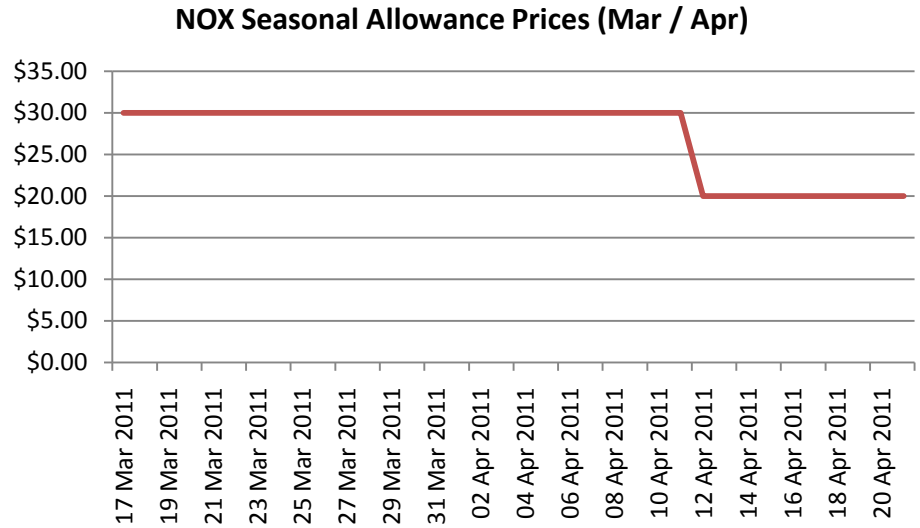


Figure 3 – NO_X seasonal prices since last monthly report



SO_2 and NOx Outlook

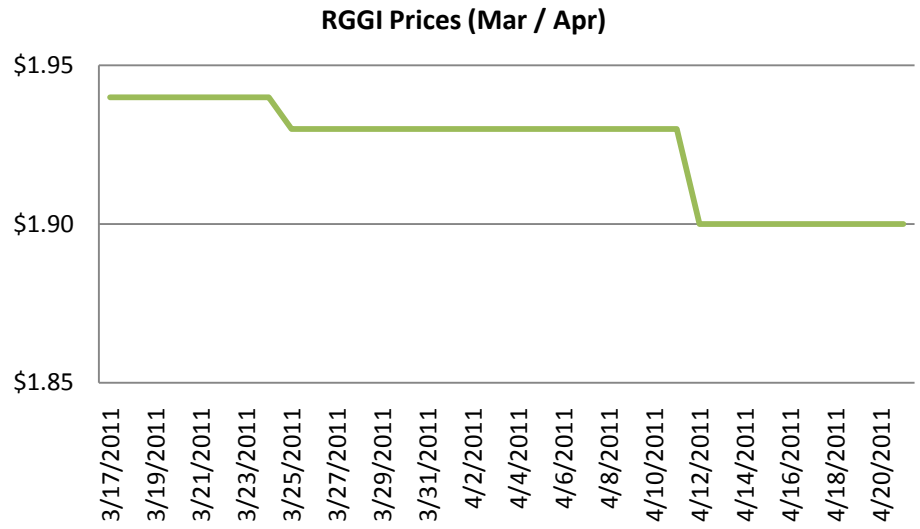
Market participants continue to await regulatory certainty from EPA. The final Transport Rule, setting new emissions trading rules, is expected to be released in June or July this year. The expectation is that there will be new allowances for SO_2 and NO_X emissions, leaving little value for the existing bank of allowances beyond this year. If the existing bank is to retain any value beyond this year, EPA would have to elect to take a significantly different path than they did in

the proposed rule – which is not expected – or Congress would have to pass legislation regulating the markets. At this point, there does not seem to be a tremendous amount of momentum behind legislation in this arena, although that could change quickly depending on industry and other stakeholder reaction after the issuance of the final Transport Rule.

RGGI and Federal Carbon Outlook

RGGI allowance prices continue to trade at very low amounts, as the market is substantially over supplied, forcing prices to levels at or near the statutory price floor (see Figure 4 – RGGI Allowance Prices).

Figure 4 – RGGI Allowance Prices



Based on projected generation and emissions, Dover is projected to have an excess of 145,000 allowances through 2013 with a market value at current prices of $275,500. The first true-up period for RGGI will take place on December 31st, 2011.

Despite the high level of uncertainty surrounding carbon legislation, Pace Global continues to anticipate an eventual price on carbon at a national level, although the timing, method, and scope of coverage are all substantially unknown at this time. Pace Global expects carbon regulation to evolve through three main drivers: 1. Legislation; 2. EPA regulation under their existing authority; and 3. Linkage of regional and state initiatives.

The three carbon pricing drivers will likely develop in parallel and, at times, in concert with one another. Through the three drivers, Pace Global anticipates a national price on carbon emissions via a market based system, or combination of systems, beginning sometime between 2015 and 2018.

There have been a number of proposed measures in Congress that would temporarily or permanently negate EPA's authority to regulate GHGs. Attempts to cut EPA's regulatory funding for GHG programs in the FY 2011 federal budget were unsuccessful; however the fight will likely continue as Congress debates the FY2012 federal budget. Additionally, bills to permanently repeal EPA's regulatory authority appear to have stalled for the time being, with insufficient support in the Senate and threats of Presidential veto from the Administration.

4.0 – OPERATIONS MANAGEMENT

Management Highlights

- During the month of March, there were no restricted work days or lost time accidents. The facility has now gone 168 days without an OSHA recordable accident and 168 consecutive days without a lost time reportable accident.

- The plant received no Notice of Violations (NOVs). There were no environmental deviations or other permit deviations during the month.

- No units were dispatched by PJM for the month of March.

- Van Sant unit successfully completed the annual Black Start Test.

- Van Sant unit was in a planned outage from March 14 to 24 for an annual inspection and for testing of the CTs, PTs and DC Control Circuitry. The Units at McKee started a planned outage on March 28 that will last until May 23.

- Maintenance and IC&E Staff, with assistance from the Reading Crane completed the load testing for the turbine floor overhead crane.

- NAES completed the testing of the CTs, PTs, and DC control circuitry at the VanSant Combustion Turbine site. The testing of the devices and equipment is part of the best practices for NERC compliance

- On March 29, the plant conducted an Emergency Response Deployment Drill.

- The following is the NAES Monthly Report as submitted to PGAM.

NAES Corporation
Dover, Delaware

March 2011
Monthly Report



Ray Lavender (standing-left), Planner/Operations Supervisor, is shown being presented the NAES Service Recognition Award by Vincent Scire, Plant Manager, in recognition of his completing 30 years of service working at the City of Dover Generating Facilities.

PACE GLOBAL

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1.0 Environmental, Health and Safety:

During the month of March, there were no restricted work days or lost time accidents. The facility has now gone 168 days without an OSHA recordable accident and 168 consecutive days without a lost time reportable accident.

The plant received no Notice of Violations (NOVs). There were no environmental deviations or other permit deviations during the month.

Environmental, Health and Safety Statistics		
	Month (March)	Fiscal Year to Date (7/1/10-6/30/11)
NOVs	0	0
Opacity Deviations	0	13
Environmental Deviations	0	0
OSHA Recordable	0	1
OSHA LTA's	0	0
First Aid cases	0	0
Restricted Workday Accident	0	0
Near Miss	2	6
Man Hours Worked	4,961.00	90,880.25
Date last OSHA Recordable		10/14/10
Date last Lost Time Accident		10/14/10
Days since last OSHA recordable		168
Days since last Lost Time Accident		168

Emissions (NOx & SO2) All data thru 3/31/11

NOx Summary - Year (May-Sept.)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	119.2	3.3	125.4
2011	0.0	0.0	0.0	0.0	0.0

NOx Summary - Year (Jan. – Dec.)Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2009	0.9	0.7	10.1	0.6	12.3
2010	0.7	2.2	119.2	3.3	125.4
2011	0.0	0.0	1.3	0.7	2.0

CAIR NOx Allowances Summary*							
CAIR NOx Allowance Vintage	**CAIR NOx Allowances Sold YTD**	**NOx Allowances Available (Per Facility, Prior to Sale)**		**Total NOx Tons Emitted (Yr/ Season)**	**CAIR NOx Allowances Purchased YTD**	**NOx Allowance Balance**	
		McKee Run (Yr/Season)	***VanSant (Yr/Season)***			***McKee Run (Yr/Season)***	***VanSant (Yr/Season)***
2009	45/25	75/50	5/3	12/5 - 1/1	0/0 – 0/0	18/0	4/2
2010	0	73/47*	5/3	119**/119** - 3/3	22##/53# – 0/0	-46/0	2/0
2011	0	71/48###	5/3	1/0 – 1/0	0/0 - 0/0	70/48###	4/3

Note ** - Higher NOx emissions are attributed to data substitution rules that use significantly higher emission rates than actually were emitted. The implementation of the data substitution rules were caused by performing a linearity test outside the grace period. NAES ESS was able to provide assistance in reducing the NOx emissions from 137 tons to 119 tons since the October report. A petition to the EPA was sent out in February that would result in a reduction in reported emissions. The EPA has given preliminary approval to the petition request although it is not official until the plant receives a signed EPA approval. Until the issue is resolved, the EPA has locked the annual account and no allowances will be deducted until that time.
Note# - 53 tons were purchased to help compensate for the shortage in seasonal NOx allowances.
Note## - 22 tons were purchased to help compensate for the shortage in annual NOx allowances.
Note###- 2 tons were reallocated by the EPA to the McKee Run 2011 account.

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	2.0	0.3	2.3

Note: Data is as of 3/31/2011

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***		
2003-2006	139	138	1	0	0
2007	2455	2585	138	98	170
2008	2392	2585	138	32	299
2009	0	2585	138	0	2723
2010	0	1850	138	0	1988
2011	0	1850	138	2	1986

Note: Data is as of 3/31/2011

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	***Van Sant***		
2009	0	59,805	1,699	5,796	55,708
2010	0	47,844	1,636	32,971	16,509
2011	0	35,883	1,227	1,105	36,005
2012	0	23,922	818	0	24,740
2013	0	11,961	409	0	12,370

Note: All CO2 allowance values are provided by the RGGI CO2 Allowance Tracking System

2.0 Financial

Financial – Current Month

Month –March 2011			
	Actual	Budget	Variance
Personnel	248,042	244,495	(3,547)
Materials & Supplies	17,246	10,550	(6,696)
Administrative Expenses	149,630	111,965	(37,665)
Total	**$414,918**	**$367,011**	**(47,908)**

Financial – Fiscal Year to Date

Number of Months - 9			
	Actual	Budget	Variance
Personnel	2,278,265	2,291,011	12,746
Materials & Supplies	212,410	142,420	(69,990)
Administrative Expenses	1,799,961	1,511,148	(288,813)
Total	**$4,290,636**	**$3,944,579**	**($346,057)**

2.1 Variance analysis:

The original budget for March was $367,011. The actual expenses for March were $414,919 for an unfavorable variance of ($47,908) or approximately 13.05%. The variance was due to the following:

PERSONNEL EXPENSES – Straight Time Labor and burdens accounted for a total unfavorable variance of $3,547.

MATERIALS AND SUPPLIES EXPENSES – An unfavorable variance of $6,696 was realized due to spending in Office Supplies, Computer Software and Safety Supplies for the month.

ADMINISTRATIVE EXPENSES - Higher than budgeted expenses in Insurance, Electric, Heating Oil / Gas, Contractual Services, Environmental Expenses, Home Office Labor, and Boiler Systems contributed to an unfavorable variance of $37,665.

The budget is currently forecast to finish this fiscal year at $6,124,375 expensed versus $6,163,315 budgeted (reset) thereby realizing a 99.55% expenditure rate.

Note: The budget has now been reset by the City of Dover Financial Department. Future reports will reflect the reset monthly and year-to-date numbers.

3.0 Operations

Unit Operations / Outages / Trips

No units were dispatched by PJM for the month of March. On March 9, during a Black Start test, Unit 11 tripped after being on line for four minutes due to a bad PLC module in the combustion monitoring protection circuitry. The module was replaced and several days later, the unit successfully completed the annual Black Start Test. VanSant was in a Planned outage from March 14 to 24 for an annual inspection and for testing of the CTs, PTs and DC Control Circuitry. The Units at McKee started a planned outage on March 28 that will last until May23. The scope of work on Units 1 & 2 includes the installation of upgrades to the burner control system, condenser cleaning and inspections of the steam turbines. The work scope on Unit 3 includes the installation of gas valves on each burner deck, the installation of a new expansion joint in the ductwork above the air heater and an annual inspection.

Month – March 2011							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	Van Sant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	0.0	0.0	0.0	0.0	0.750	0.750
Starts	#	0	0	0	0	9	9
Gross Generation	MWh	0.0	0.0	0.0	0.0	0.680	0.0
Net Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Total Auxiliaries	MWh	28.923	28.923	150.367	208.213	3.759	211.972
Auxiliaries purchased	MWh	28.923	28.923	150.367	208.213	3.759	211.972
Fuel Gas Used	MMBTU	0.0	0.0	0.0	0.0	177.325	177.325
Fuel Oil Used	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Fuel Oil Used	Gallons	0.0	0.0	0.0	0.0	0.0	0.0
Total Fuel	MMBTU	0.0	0.0	0.0	0.0	177.325	177.325
Net Heat Rate	BTU/KWh	0.0	0.0	0.0	0.0	0.0	0.0
Unit Trips	#	0	0	0	0	1	1
Capacity Factor	%	0.0	0.0	0.0	0.0	0.0	0.0
Availability Factor	%	88.04	88.04	88.04	88.04	66.73	82.71
Commercial Unavailability (CU)	%	0	0	0	0	0	0
Planned Outage Hours	Hours	89.0	89.0	89.0	267.0	247.317	247.317
Maintenance Outage Hours	Hours	0.0	0.0	0.0	0.0	5.433	5.433
Forced Outage Hours	Hours	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Shutdown Hours	Hours	654.000	654.000	654.000	1,962.000	489.500	2,451.500
HW Boiler Gas Usage	MMBTU				772.850		772.850
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.

2010-2011 Fiscal Year-to-Date (9 Months)							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	Van Sant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	13.033	128.966	645.256	787.255	137.790	1,062.089
Starts	#	1	3	44	48	35	83
Gross Generation	MWh	154.626	1,216.601	45,570.285	46,941.512	4,635.447	51,576.959
Net Generation	MWh	147.111	1,141.623	42,968.696	44,257.430	4,632.241	51,189.671
Total Auxiliaries	MWh	286.237	353.699	5,254.318	5,894.253	37.729	5,757.739
Auxiliaries purchased	MWh	278.722	278.722	2,535.529	3,214.416	35.033	3,249.449
Fuel Gas Used	MMBTU	2,183.250	15,245.850	452,018.837	469,447.937	53,944.276	523,392.212
Fuel Oil Used	MMBTU	0.0	0.0	17,721.260	17,721.260	3,790.097	21,511.357
Fuel Oil Used	Gallons	0.0	0.0	125,088	125,088	27,385	152,473
Total Fuel	MMBTU	2,183.250	15,245.850	469,740.098	487,169.198	61,323.669	548,492.867
Net Heat Rate	BTU/KWh	14,841	13,355	11,696	13,297	13,192	13,245
Unit Trips	#	1	0	3	4	3	7
Capacity Factor	%	0.13	1.02	6.28	4.86	1.81	4.01
Availability Factor	%	69.66	78.47	78.38	75.50	96.24	80.69
Commercial Unavailability (CU)	%	6.6	0	0.03*	0.85	0	0.66
Planned Outage Hours	Hours	1,415.500	1,415.500	1,415.500	4,246.500	247.317	5,898.746
Maintenance Outage Hours	Hours	0.0	0.0	0.0	0.0	5.433	5.433
Forced Outage Hours	Hours	579.830	0	6.317	586.15	0	586.15
Reserve Shutdown Hours	Hours	4,580.670	5,031.534	4,580.143	14,192.347	6,185.456	20,377.803
HW Boiler Gas Usage	MMBTU				4,816.910		4,816.910
Pilot Gas Usage	MMBTU	0	0		0		0

Note: * Calculation does not include 3.317 hours that were Outside Management Control (OMC)

Capacity Testing – FY 2010-2011					
Summer 2010 (June 1- Aug 31)			**Winter 2010-2011 (Dec 1- Mar 1)**		
Unit	Rated Net Capability (MW)	Reported Net Capability (MW)	Unit	Rated Net Capability (MW)	Reported Net Capability (MW)
1	17	17.20	1	17	*
2	17	18.09	2	17	*
3	102	102.68	3	102	105.61
VanSant	39	39.30	11	39	43.833
Total	175	178.67	Total	175	149.443

Fuel Oil Inventory							
	Monthly Inventory (Start)	Monthly Inventory (End)	Fuel Purchases (Month)	Monthly Inventory (Change)	FY 10-11 Inventory (Start)	Fuel Purchases (YTD)	FY 10-11 Inventory (Change)
McKee Run (#2 Fuel Oil)	449,438	451,200	0	1,762	448,556	118,549	2,644
Van Sant (#2 Fuel Oil)	150,852	151,358	0	506	143,099	38,079	8,259

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

Van Sant Lifetime through 3/31/11			
	Actual Starts	Factored Starts	Fired Hours
Van Sant	1252	2161.15	4110.66
Since HGP - Dec 2004	201	493.45	727.08

Team Report:

The Operations staff continues to support maintenance activities during the planned outage by serving as Confined Space Attendants for confined space areas as well as other support tasks. In addition, they have been removing lagging and insulation at various locations on the boiler and on the Air Heater Expansion Joint. In preparation for the VanSant outage, Operations staff performed LO/TO on several pieces of equipment to expedite the start of the projected work scope.

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 as well.

Operations personnel continue to support maintenance by working on Preventative Maintenance (PM) work orders and other work orders for those 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 March, plant maintenance staff continued addressing the backlog of work orders. There were seventy-five work orders issued with eighty work orders being completed during the month.

The table below summarizes the monthly work order activities.

Work Order Report				
March - 9				
Priority #	Outstanding From Previous Months	Issued This Month	Completed This Month	Outstanding at the end of the month
1	5	7	4	8
2	25	14	18	21
3	37	16	17	36
4	41	0	1	40
5	9	0	0	9
SW1	0	1	1	0
SW2	0	4	2	2
SW3	0	1	1	0
SW4	0	0	0	0
SW5	0	0	0	0
PM	63	32	36	59
Totals	180	75	80	175
Note: PM's are included in the priority totals				

Notable activities during the month include:

1. Maintenance and IC&E Staff, with assistance from the Reading Crane completed the load testing for the turbine floor overhead crane. Load testing was completed in front of the turbine overhaul outages. Overall the crane passed the load test and one work order was issued for the repairs. Repairs should be completed before the outage starts and will not hold up any scheduled work.

2. IC&E staff completed the removal and installation of new emergency stairwell lighting. During weekly inspections and testing, several lighting units were found to be nonoperational. Work order was issued and further inspection of other units revealed DC batteries had failed or surpassed their service life. New lighting units have been installed completing this safety work order.

3. Pike Engineering, with assistance from IC&E staff, completed the testing of the CTs, PTs, and DC control circuitry at the VanSant Combustion Turbine site. The testing of the devices and equipment is part of the best practices for NERC compliance PRC-005 Mitigation Plan.

5.0 Capital Improvement Projects (CIP)

Project Number	Description	Update
EG1101	Unit 3 Cooling Tower Life Extension	Progress: No other work is planned for this project during the remainder of the fiscal year. Schedule: Work scope development for next year will commence in April 2011.
EG1102	Units 1 & 2 Cooling Tower Life Extension	Progress: Work scope to replace the lower decking has been completed, bids received and work was awarded. Schedule: Work is slated to be completed in the Spring 2011 Outage.
EG1103	Unit 3 Turbine Inspection	Progress: Started on the development of the project work scope documents. Schedule: This project has been deferred until 2011-2012 fiscal year.
EG1104	Unit 3 Aux System Components	Progress: Started on the development of the project work scope documents. Schedule: Deferred until 2011-2012 fiscal year.
EG1105	Miscellaneous Capital Equipment Replacements	Progress: This project is for the unexpected needs that may occur during a budget year that were unexpected due to equipment failure for example. Schedule: The funding is in place. Funds have been used to cover the cost of the Unit 3 600-lb steam station valve repairs, Unit 3 Cooling Water Booster Pump Repairs and circuit breakers.
EG1106	Unit 3 Stack Repairs	Progress: Started on the development of the project work scope document. Schedule: Deferred until 2011-2012 fiscal year.
EG1107	Units 1 & 2 Life Extension	Progress: The bid has been awarded and work is planned to start in April. Schedule: Turbine mechanical contractor to begin on April 18. Some of the work has been deferred until the 2011-2012 fiscal year.
EG1108	Unit 1 Forced Outage Repairs	Progress: The repair work has been completed. Schedule: This work is complete.
EG1109	Unit 3 FD & ID Fan Damper Upgrade	Progress: Started on the development of the project work scope documents. Schedule: Deferred until 2011-2012 fiscal year.
EG1110	Unit 3 DCS Computers & Software Upgrades	Progress: Started on the development of the project work scope documents. Schedule: Deferred until 2011-2012 fiscal year.
EG1111	Unit 2 Boiler Inspections and Repairs	Progress: Inspections and other repairs were completed during the Fall 2010 Outage Schedule: Miscellaneous work is being wrapped up to complete the

		project.
EG1112	Unit 3 Air Heater Expansion Joint	Progress: The bid was awarded and expansion joint was delivered in and work will start in April. Schedule: This is scheduled to start in April during the Spring Outage.
EG1113	Units 1 & 2 Controls Modifications	Progress: Work scope documents and parts list put together. Most of the parts have been ordered and are beginning to be received at the plant and the installation of conduit and electrical boxes have commenced. Schedule: This is scheduled for the Spring Outage 2011.
EG1114	Unit 3 Gas Line Modifications	Progress: The bid has been awarded. Some parts have been ordered and have been received. Work will start in April. Schedule: This is scheduled to begin in April during the Spring Outage.

5.1 CIP Budget

Project Number	Description	Approved Budget ($ X 1000)	Latest Estimate ($ X 1000)
EG1101	Unit 3 Cooling Tower Life Extension	398	372
EG1102	Units 1 & 2 Cooling Tower Life Extension	173	90
EG1103	Unit 3 Turbine Inspection	348	348
EG1104	Unit 3 Aux System Components	188	188
EG1105	Miscellaneous Capital Equipment Replacements	77	66
EG1106	Unit 3 Stack Repairs	25	25
EG1107	Units 1 & 2 Life Extension	225	231
EG1108	Unit 1 Forced Outage Repairs	412**	424
EG1109	Unit 3 FD & ID Fan Damper Upgrade	45	45
EG1110	Unit 3 DCS Computers & Software Upgrades	30	30

EG1111	Unit 2 Boiler Inspections and Repairs	124##	111
EG1112	Unit 3 Air Heater Expansion Joint	65##	59
EG1113	Units 1 & 2 Controls Modifications	150##	152
EG1114	Unit 3 Gas Line Modifications	60##	40

** This project was not budgeted for 2011.
Project was not in original FY11 CIP but was approved by COD Council in late 2010.

6.0 General Plant Information

Training:

On March 8 & 9, PJM conducted a system restoration drill. Ron McNair, Rick Barber and Aaron Jester participated in the drill for training purposes. The simulation drill had the operators ask and answer some questions on system operation. Participation in the drill earned each operator simulation credits that go towards maintaining their PJM System Operator certification.

The PJM Generation Systems Operator exam study groups continue to meet during the month with different study topics. The study group focuses on subjects that are covered on the exam. This month's topics were Market Monitoring, PJM Day Ahead Market, Generation outages and eDART.

Ron McNair and Rick Barber attended the PJM 2011 PJM System Operator Seminar in the third week of May. This seminar provides updated information on PJM, NERC, and FERC regulations and standards that are coming in the future. It also provides credits to the individual that go toward retaining his PJM Gen Ops Certification.

On March 29, the plant conducted an Emergency Response Deployment Drill. The scenario was a fuel oil leak by the transfer pump area. The object was to contain the oil spill with booms (rope was used in place of actual booms) and to keep oil from going to the outfalls or the lake. Actual contacts were made to plant personnel and to clean-up crews to simulate response time.

Calendar of Events	Date
Units 1, 2, and 3 Spring Outage	March 28, 2011 – May 23, 3011
Air Emission Inventory	April 1, 2011
EIA-860 Report	April 29, 2011
EIA-923 Report	May 6, 2011
Fiscal Year 2010-2011 Ends	June 30, 2011
PJM Summer Capacity Test Period	June 1, 2011- August 31, 2011
McKee Run and VanSant Title V Semi-Annual Certification Due	August 1, 2011
NOx Ozone Season Starts	May 1, 2011
NOx Ozone Season Ends	September 30, 2011
One Year Accident Free	October 14, 2011
Units 1, 2, 3 and 11 Fall Outage	TBD
Winter Capacity Period	December 1, 2011 to February 28, 2012
McKee Run and VanSant Title V Annual Certification Due	February 1, 2012
NOx Emissions Reconciliation Due	March 1, 2012
SO2 Emissions Reconciliation Due	March 1, 2012
SARA III Report	March 1, 2012
Annual VanSant Black Start Test	March , 2012
Units 1, 2, 3 and 11 Spring Outage	TBD

7.0 Summary of NAES Performance to Date

Measure	Plant Performance FY 2010-2011 Month		Year to Date		YTD Incentive	FY Maximum Incentive
Commercial Unavailability (CU)	0%		0.66%		$63,262	$89,586
Safety	1		1		$8,398	$16,797
Environmental	0		0		$16,797	$16,797
Capacity Tests Completed	Summer	Winter	Summer	Winter		
Unit 1	No	No	Yes	Yes*	$3,360	$3,360
Unit 2	No	No	Yes	Yes*	$3,360	$3,360
Unit 3	No	No	Yes	Yes	$20,157	$20,157
Unit 11	No	No	Yes	Yes	$6,719	$6,719
Total YTD Incentive %	77.85%		***Total YTD Incentive***		$122,052	$156,775

Note - * Unit is expected to be in the PJM Winter Capacity Test Exemption Program

APPENDICES

I. PJM INVOICE BREAKDOWN

The PJM bill is a record of all Electricity Transactions, Transmission Services, Ancillary Services and Miscellaneous fees that allow the PJM to operate. Below is a list of the line items on the PJM bill including all generator activity.

PJM Bill Line Items	Gen	Load	Net
Day-ahead Scheduling Reserve	$0.00	($46.40)	($46.40)
Synchronous Condensing Charges	$0.00	($65.76)	($65.76)
Reactive Services Charges	$0.00	($42,156.55)	($42,156.55)
Meter Correction Charges	$0.00	$4,582.37	$4,582.37
Day-ahead Operating Reserve for Load Response	$0.00	$0.00	$0.00
Balancing Operating Reserve for Load Response	$0.00	$0.00	$0.00
Balancing Operating Reserves Credits	$0.00	$0.00	$0.00
Day Ahead Operating Reserves Credits	$0.00	$0.00	$0.00
Locational Reliability Charges	$0.00	($1,080,033.18)	($1,080,033.18)
Capacity Transfer Rights Credits	$0.00	$1,745.61	$1,745.61
Capacity Resource Deficiency Credits	$0.00	$0.31	$0.31
Demand Response and ILR Compliance Penalty Credits	$0.00	$0.00	$0.00
RPM Auction Credits	$1,002,527.60	$0.00	$1,002,527.60
Auction Revenue Rights Credits	$0.00	$31,448.26	$31,448.26
Synchronized Reserve Credits	$0.00	$0.00	$0.00
PJM Scheduling System Control and Dispatch Service Charges	$0.00	($10,029.88)	($10,029.88)
Transmission Owner Scheduling System Control and Dispatch Service Charges	$0.00	($4,373.04)	($4,373.04)
Reactive Supply and Voltage Control from Generation Sources Service Charges	$0.00	($31,817.59)	($31,817.59)
Reactive Supply Credit	$29,467.58	$0.00	$29,467.58
Black Start Service Charges	$0.00	($1,212.07)	($1,212.07)
North American Electric Reliability Corporation (NERC) Charge	$0.00	($512.07)	($512.07)
Reliability First Corporation (RFC) Charges	$0.00	($776.89)	($776.89)
Expansion Cost Recovery Charges	$0.00	($408.58)	($408.58)
Transmission Enhancement Charges	$0.00	($16,003.08)	($16,003.08)
Black Start Service Credits	$4,544.50	$0.00	$4,544.50
Non-Firm Point-to-Point Transmission Service Credits	$0.00	$531.35	$531.35
Generation Deactivation	$0.00	$741.04	$741.04
Market Monitoring Unit (MMU) Funding	$0.00	($298.17)	($298.17)
Organization of PJM States, Inc. (OPSI) Funding	$0.00	($36.50)	($36.50)
FERC Annual Recovery	$0.00	($3,313.57)	($3,313.57)
PJM Annual Membership	$0.00	$0.00	$0.00
EFOR-P	$0.00	$0.00	$0.00
DPL Settlement B	$0.00	($389.45)	($389.45)
PPA	$0.00	($23.55)	($23.55)
Day-ahead Scheduling Reserve	$0.00	($46.40)	($46.40)
Synchronous Condensing Charges	$0.00	($65.76)	($65.76)
Reactive Services Charges	$0.00	($42,156.55)	($42,156.55)

Meter Correction Charges	$0.00	$4,582.37	$4,582.37
Day-ahead Operating Reserve for Load Response	$0.00	$0.00	$0.00
Balancing Operating Reserve for Load Response	$0.00	$0.00	$0.00
Balancing Operating Reserves Credits	$0.00	$0.00	$0.00
Day Ahead Operating Reserves Credits	$0.00	$0.00	$0.00
Locational Reliability Charges	$0.00	($1,080,033.18)	($1,080,033.18)
	$1,036,539.68	**($1,863,131.09)**	**($826,591.41)**

II. LOAD, ALL IN ENERGY AND ALL IN COST OF SERVICE TABLE

	Budget Load (MWh)	Actual Load (MWh)	Budget AIE ($/MWh)	Actual AIE ($/MWh)	Actual YTD AIE ($/MWh)	Budget AICS ($/MWh)	Actual AICS ($/MWh)	Actual YTD AICS ($/MWh)
Jul	**83,163**	**83,163**	**$90.72**	**$90.72**	**$90.72**	**$81.36**	**$81.36**	**$81.36**
Aug	**78,755**	**78,755**	**$82.76**	**$82.76**	**$86.85**	**$83.03**	**$83.03**	**$82.17**
Sep	**66,782**	**66,782**	**$82.73**	**$82.73**	**$85.65**	**$91.13**	**$91.13**	**$84.79**
Oct	**56,452**	**56,452**	**$79.72**	**$79.72**	**$84.47**	**$87.24**	**$87.24**	**$85.27**
Nov	**54,396**	**54,396**	**$82.56**	**$82.56**	**$84.17**	**$91.56**	**$91.56**	**$86.28**
Dec	**63,566**	**63,566**	**$87.33**	**$87.33**	**$84.67**	**$98.22**	**$98.22**	**$88.16**
Jan	**60,136**	**64,462**	**$86.66**	**$91.77**	**$85.65**	**$94.36**	**$97.13**	**$89.40**
Feb	**54,199**	**54,900**	**$85.32**	**$84.37**	**$85.51**	**$94.11**	**$92.95**	**$89.77**
Mar	**56,334**	**57,414**	**$85.66**	**$81.75**	**$85.14**	**$93.39**	**$89.70**	**$89.77**
Apr	52,554		$83.69			$91.16		
May	58,744		$79.63			$85.58		
Jun	67,331		$80.51			$96.23		

III. GLOSSARY

Energy Only Unit Cost ("EOU") accounts for the wholesale energy costs **excluding** capacity obligations, capacity credits for Dover-owned generation, generation revenues, generating plant costs, the black start ancillary services credit for the Van Sant plant, and revenues associated with the sale of emission allowances. The AIE includes the costs from settling the hedged or forward transactions; the energy bought on the ISO (Independent System Operator or PJM) day-ahead to cover the open position (un-hedged); load following costs associated with balancing the actual load in the ISO real-time market; energy management service related fees; the ISO transmission charges and credits to load serving entities; the ISO ancillary services charges such as generation regulation, spinning reserve, and reactive power; and the ISO administrative charges and cost of service recovery fees.

All In Cost of Service ("AICS") accounts for the net cost of wholesale power to the City of Dover Electric Utility. The AICS starts with the AIE and adds the costs or credits from capacity obligations, capacity credits for Dover-owned generation, generation revenues, generating plant costs, the black start ancillary services credit for the Van Sant plant, and revenues associated with the sale of emission allowances.

Black Start is a generating ancillary service that is the process of restoring a generating plant to service without the support of an external power supply to power auxiliary equipment needed for start up operations.

Capacity UCAP Obligated Purchased is the obligation and payment by all load serving entities in PJM including Dover for the Unforced Capacity (UCAP) requirement from PJM that satisfies the PJM reserve requirements.

Generation Capacity Credit: is the credit provided to generators for supply capacity to the system. The price is determined by the PJM Reliability Pricing Market auction process that includes three auctions for each capacity year.

Generation Production Margin accounts for the variable margin excluding variable O&M and emissions. The Generation Production Margin is calculated by taking the PJM revenues credited to the plant including any balancing charges or credits less the fuel costs. Generation Production Margin includes both "Economic and reliability dispatch" and "Testing." Economic and reliability dispatch equals the margin achieved when Dover's generating plants are dispatched by PJM for either economic dispatch (the system energy price is greater than the Dover bid price) or reliability dispatch whereby PJM pays the generating cost of the plants for the hours the plant is run to support the system. Generation Testing equals the Generation Production Margin associated with testing. This is usually expected to be a negative margin because the plant is potentially being dispatched / run when energy prices do not cover its costs.

Non-Production Revenue equals the credits from PJM to Dover for Generation Capacity Credit, the Black Start Revenue and the sales by Dover of Emission Allowances.