# UTILITY COMMITTEE

# A G E N D A

**April 25, 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. East Dover Hills Water Line Replacement Project

2. Division Street Inflow & Infiltration Project

3. Review of Utility Related CIP's (Electric and Water/Wastewater) *(January and February)*

4. PACE/NAES Report

5. Updates
   A. Green Energy Funding and Programming
   B. State Sustainable Energy Utility (SEU) Programs and Legislation

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.*

**City of Dover**
**Capital Investment Plan**
**Project Tracking Report**
**January 31, 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 | 2,729,628 |
| Federal and/or State Grants | 4,270,348 | 1,000,000 | 45,248 | 135,152 | 5,450,748 |
| 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 | 1,019,629 | 300,000 | 58,709 | 2,797,792 | 4,176,130 |
| Interest Earned | 10,900 | - | - | 40,700 | 51,600 |
| Total Funding Sources (Unaudited) | $ 8,902,720 | $ 1,300,000 | $ 10,681,049 | $ 4,494,722 | $ 26,216,062 |

**City of Dover**
**General Fund - Major CIP Projects**
**January, 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 | $ 1,356,957 | $ 23,322,977 | 5.5% | $ 6,687,039 | $ 7,630,663 | $ 619,891 | 8.1% | Started | Bid Pack A - constuction started / Bid Pack B - bidding started. |
| 3 | | | **Totals - FY09** | $ 18,200,000 | $ 24,679,934 | $ 1,356,957 | $ 23,322,977 | 5.5% | $ 6,687,039 | $ 7,630,663 | $ 619,891 | 8.1% | | |
| 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 | $ 63,675 | $ 461,333 | $ (397,658) | 724.5% | $ 735,185 | $ 735,185 | $ 461,333 | 62.8% | Started | Vehicles being ordered. |
| 11 | PD1001 | | Core Law Enforcement Server Replacement | - | 53,500 | 30,108 | 23,392 | 56.3% | - | 53,500 | 30,108 | 56.3% | Started | Specifications done. |
| 12 | PD1101 | | Public Assembly Room Upgrade | - | 20,000 | - | 20,000 | 0.0% | - | 20,000 | - | 0.0% | | |
| 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 | | Concrete Program | 50,000 | 50,000 | 45,759 | 4,241 | 91.5% | 50,000 | 50,000 | 45,759 | 91.5% | Started | Complete with contractor portion. |
| 16 | ST1102 | | 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. |
| 17 | MR1101 | | Downtown Security Cameras | 31,500 | 31,500 | - | 31,500 | 0.0% | 31,500 | 31,500 | - | 0.0% | Started | Contract signed. |
| 18 | | | **Totals - FY11** | $ 445,175 | $ 563,675 | $ 850,152 | $ (286,477) | 150.8% | $ 1,161,685 | $ 1,235,185 | $ 850,152 | 68.8% | | |
| 19 | | | | | | | | | | | | | | |
| 20 | | | **Grand Totals** | $ 18,695,175 | $ 25,283,609 | $ 2,235,738 | $ 23,047,871 | 8.8% | $ 7,848,724 | $ 8,902,720 | $ 1,495,544 | 16.8% | | |

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**
**January, 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 | $ 431,076 | $ 48,072 | 90.0% | $ 121,891 | $ 121,891 | $ 73,819 | 60.6% | Started | Ongoing. |
| 3 | | | **Totals** | $ 400,000 | $ 479,148 | $ 431,076 | $ 48,072 | 90.0% | $ 121,891 | $ 121,891 | $ 73,819 | 60.6% | | |
| 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% | | Trying to move this to Library Project if State approves. |
| 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 | 169,066 | 246,672 | (77,606) | 145.9% | 169,066 | 169,066 | 246,672 | 145.9% | | In progress. |
| 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% | | |
| | CT1162 | | Library Access Rd. | 105,000 | 105,000 | - | 105,000 | 0.0% | 105,000 | 105,000 | - | 0.0% | | |
| 21 | ST1101 | | Street & Alley Program | 300,000 | 300,000 | 175,926 | 124,074 | 58.6% | 300,000 | 300,000 | 175,926 | 58.6% | | In progress. |
| 22 | | | State Agreements not yet rec'd | 458,968 | 346,468 | - | 346,468 | 0.0% | 346,468 | 346,468 | - | 0.0% | | Agreements have not been received. |
| 23 | | | **Totals** | $ 1,163,659 | $ 1,051,159 | $ 543,224 | $ 507,935 | 51.7% | $ 1,051,159 | $ 1,051,159 | $ 543,224 | 51.7% | | |
| 24 | | | | | | | | | | | | | | |
| 25 | | | **Grand Totals** | $ 1,690,609 | $ 1,657,257 | $ 1,014,299 | $ 642,958 | 61.2% | $ 1,300,000 | $ 1,300,000 | $ 657,043 | 50.5% | | |

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**
**January, 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 | | South Governors Ave. Water Main Upgrade | $ 200,000 | $ 200,000 | $ 2,664 | $ 197,336 | 1.3% | $ - | $ 197,336 | $ - | 0.0% | Complete | Done. |
| 3 | WD0804 | M | 1.0 MG Elevated Water Storage Tower | 4,196,600 | 2,590,000 | 11,062 | 2,578,938 | 0.4% | - | 193,377 | 4,439 | 2.3% | Started | Selecting Tank Model & Site; FY11 = Constr. |
| 4 | WD0805 | M | Piney Point Well | 398,800 | 665,000 | 61,414 | 603,586 | 9.2% | - | 162,525 | 8,939 | 5.5% | Started | DNREC permiting; FY11 = Constr. |
| 5 | WW0809 | M | South 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 | 2,443,587 | 966,054 | 71.7% | - | 2,335,862 | 1,575,426 | 67.4% | Complete | Functionally completed, some minor site restoration. |
| 7 | | | **Totals - FY08** | $ 7,472,200 | $ 7,155,641 | $ 2,532,288 | $ 4,623,353 | 35.4% | $ - | $ 3,168,344 | $ 1,590,608 | 50.2% | | |
| 8 | | | | | | | | | | | | | | |
| 9 | | | **FY2009** | | | | | | | | | | | |
| 10 | WQ0905 | M/SL | Bayard Avenue | $ 590,910 | $ 590,910 | $ 237,336 | $ 353,574 | 40.2% | $ - | $ 584,420 | $ 230,846 | 39.5% | 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% | Done | Done. |
| 12 | WQ0907 | M/SL | Route 13 Water Main | 1,058,700 | 1,035,898 | 142,748 | 893,150 | 13.8% | - | 967,801 | 18,752 | 1.9% | Started | Going to bid. |
| 13 | | R | Water Quality Improvements FY09 | $ 2,518,317 | $ 2,504,404 | $ 557,262 | $ 1,947,142 | 22.3% | $ - | $ 2,399,921 | $ 397,773 | 58.9% | Started | |
| 14 | | | | | | | | | | | | | | |
| 15 | WW0902 | M/SL | DE State University Pumping Station Repl. | $ 386,400 | $ 386,400 | $ 293,367 | $ 93,033 | 75.9% | - | 240,324 | 147,652 | 61.4% | 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 Pump Station Replace. | 386,400 | 386,400 | 293,904 | 92,496 | 76.1% | - | 210,528 | 118,393 | 56.2% | Completed | Done. |
| 18 | | | **Totals - FY09** | $ 3,424,217 | $ 3,416,449 | $ 1,383,322 | $ 2,033,127 | 40.5% | $ - | $ 2,850,773 | $ 684,169 | 24.0% | | |
| 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 | 1,799,668 | 6,369 | 1,793,299 | 0.4% | - | 1,798,447 | 5,148 | 0.3% | Started | Construction to start in April. |
| 23 | WW1007 | M | Fox Hall Pump Station | 427,900 | 52,000 | 43,077 | 8,923 | 82.8% | 375,900 | 426,044 | 41,221 | 9.7% | Started | Going out to bid. |
| 24 | WW1008 | M | Heatherfield Force Main Rerouting | 220,400 | 40,000 | 35,175 | 4,825 | 87.9% | 229,200 | 267,916 | 33,891 | 12.6% | Started | Going out to bid. |
| 25 | WW1010 | I | Tar Ditch Interceptor Upgrade | 518,230 | 518,230 | 12,487 | 505,744 | 2.4% | - | 516,781 | 11,038 | 2.1% | Started | Reviewing design. |
| 26 | WS1001 | | Various Pump Motor Replacements | 45,248 | 45,248 | - | 45,248 | 0.0% | - | 45,248 | - | 0.0% | Started | Grant approved. Ordering begun. |
| 27 | | | **Totals - FY10** | $ 3,066,778 | $ 2,510,146 | $ 120,212 | $ 2,389,934 | 4.8% | $ 605,100 | $ 3,086,332 | $ 91,298 | 3.0% | | |
| 28 | | | | | | | | | | | | | | |
| 29 | | | **FY2011** | | | | | | | | | | | |
| 30 | WD1101 | | Misc. Distribution 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 Program | 60,000 | 60,000 | - | 60,000 | 0.0% | 60,000 | 60,000 | - | 0.0% | Started | Work starting in March\April. |
| 32 | WQ1101 | | Water Quality Improvements | 500,000 | 500,000 | - | 500,000 | 0.0% | 500,000 | 500,000 | 26,448 | 5.3% | Not Started | See above FY09. |
| 33 | WW1101 | M/SL | Inflow/Infiltration Removal | 500,000 | 500,000 | - | 500,000 | 0.0% | 500,000 | 500,000 | - | 0.0% | Started | Will start after FY10 is done. |
| 34 | WW1102 | R | Scada Technology Equip Upgrade | 82,100 | 82,100 | 62,913 | 19,187 | 76.6% | 82,100 | 82,100 | 62,913 | 76.6% | Started | 2 of 7 installed. |
| 35 | WW1103 | | Del State/Del Tech Force Main Rerouting | 286,500 | 286,500 | 3,801 | 282,699 | 1.3% | 286,500 | 286,500 | 3,801 | 1.3% | Done | Shifted completion to interceptor (WW0810). |
| 36 | WW1104 | | Lepore Road Pump Station Replacement | 52,000 | 52,000 | 7,700 | 44,300 | 14.8% | 52,000 | 52,000 | 7,700 | 14.8% | Started | Design with Braun.. |
| 37 | WW1105 | R | Misc. Sewer System Improvements | 35,000 | 35,000 | 35,152 | (152) | 100.4% | 35,000 | 35,000 | 35,152 | 100.4% | Started | Ongoing as needed. |
| 38 | | | **Totals - FY11** | $ 1,575,600 | $ 1,575,600 | $ 109,567 | $ 1,466,034 | 7.0% | $ 1,575,600 | $ 1,575,600 | $ 136,014 | 8.6% | | |
| 39 | | | | | | | | | | | | | | |
| 40 | | | **Grand Totals** | $ 15,538,795 | $ 14,657,836 | $ 4,145,388 | $ 10,512,448 | 28.3% | $ 2,180,700 | $ 10,681,049 | $ 2,502,090 | 23.4% | | |

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**
**January, 2011**

| | | | | TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS | | | | | CURRENT FISCAL YEAR | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Hide 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 | 550,725 | 1,517,535 | 26.6% | - | 250,000 | 30,264 | 12.1% | Completed | Done. |
| 4 | | | **Totals - FY06** | $ 12,328,450 | $ 10,762,042 | $ 9,312,486 | $ 1,449,556 | 86.5% | $ - | $ 254,242 | $ 34,506 | 13.6% | | |
| 5 | | | | | | | | | | | | | | |
| 6 | | | **FY 2008** | | | | | | | | | | | |
| 7 | EG0801 | | Unit 3 Turb Bearing Fire Protect Deluge | $ 50,000 | $ 50,000 | $ 44,720 | $ 5,280 | 89.4% | $ - | $ 50,000 | $ 44,720 | 89.4% | Completed | Final training needed. |
| 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 (Replmnt) | $ 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 Replacement | 85,000 | 85,000 | 26,577 | 58,423 | 31.3% | - | - | 9,859 | 0.0% | Completed | Done. |
| 14 | EG1009 | | Photovoltaic Install @ McKee Run | - | - | 65,065 | (65,065) | 0.0% | - | 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 | 70,087 | 70,010 | 77 | 99.9% | - | 70,087 | 70,010 | 99.9% | 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 | 865,144 | 1,207,967 | (342,823) | 139.6% | - | 129,502 | 129,502 | 100.0% | Completed | Done. This project is over budget due to having addtiional bond proceeds to spend. |
| 19 | | | | | | | | | | | | | | |
| 20 | | | **Totals - FY10** | $ 3,386,452 | $ 3,407,017 | $ 3,463,238 | $ (56,221) | 101.7% | $ - | $ 573,476 | $ 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 | Vechicles being ordered. |
| 24 | EE1101 | | Substation PT & CT Replacement | 256,218 | 256,218 | 179,885 | 76,333 | 70.2% | 256,218 | 256,218 | 179,885 | 70.2% | Started | Material being received. |
| 25 | EE1102 | | Replace of 69 kV Breakers | 100,000 | 100,000 | 7,220 | 92,780 | 7.2% | 100,000 | 100,000 | 7,220 | 7.2% | Completed | Installed. |
| 26 | EE1103 | | Lighting Rehabilitation | 100,000 | 100,000 | 107,644 | (7,644) | 107.6% | 100,000 | 100,000 | 107,644 | 107.6% | Completed | Foxhall done. |
| 27 | EE1104 | | Walker Road OH Conversion | 350,511 | 350,511 | - | 350,511 | 0.0% | 350,511 | - | - | 0.0% | Dropped | Funds reappropriated. |
| 28 | EE1105 | | Engineering Misc Equipment Replmnt | 40,000 | 40,000 | 24,751 | 15,249 | 61.9% | 40,000 | 40,000 | 24,751 | 61.9% | 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 | EE1111 | | UG Transformers | 120,536 | 120,536 | 68,867 | 51,669 | 57.1% | 120,536 | 120,536 | 68,867 | 57.1% | Started | Ongoing as needed. |
| 31 | EE1111 | | UG Conductors | 529,464 | 529,464 | 139,160 | 390,304 | 26.3% | 529,464 | 529,464 | 139,160 | 26.3% | Started | Ongoing as needed. |
| 32 | EE1111 | | Meters | 50,000 | 50,000 | 52,151 | (2,151) | 104.3% | 50,000 | 50,000 | 52,151 | 104.3% | Started | Ongoing as needed. |
| 33 | EE1112 | | 69kV Sub Switch Replacement | - | 180,000 | - | 180,000 | 0.0% | - | 180,000 | - | 0.0% | | |
| 34 | EG1101 | | Unit 3 Cooling Tower Fill | 353,338 | 353,338 | 371,513 | (18,175) | 105.1% | 353,338 | 398,338 | 371,513 | 93.3% | Completed | Done. |
| 35 | EG1102 | | Units 1 & 2 Cooling Tower | 218,730 | 218,730 | 70,280 | 148,450 | 32.1% | 218,730 | 173,730 | 70,280 | 40.5% | Completed | Done. |
| 36 | EG1103 | | Unit 3 Tubine Inspection | 348,000 | 348,000 | - | 348,000 | 0.0% | 348,000 | - | - | 0.0% | Started | Scoping Cosntruciton in FY12 |
| 37 | EG1104 | | Unit 3 Aux System Components | 113,000 | 113,000 | - | 113,000 | 0.0% | 113,000 | - | - | 0.0% | Deferred | Funding reallocated to Unit 1 repair. Defered to FY12 . |
| 38 | EG1105 | | Plant Misc Equipment Replmnt | 71,000 | 71,000 | 60,726 | 10,274 | 85.5% | 71,000 | 71,000 | 60,726 | 85.5% | Started | Ongoing as needed. |
| 39 | EG1106 | | Unit 3 Stack Repairs | 25,000 | 25,000 | - | 25,000 | 0.0% | 25,000 | - | - | 0.0% | Deffered | Funding reallocated Unit 1 repair. Defered to FY12. |
| 40 | EG1107 | | Units 1 & 2 Life Extension | 276,000 | 276,000 | 23,601 | 252,399 | 8.6% | 276,000 | 180,000 | 23,601 | 13.1% | Started | Scoping, some funding reallocated Unit 1 repair. |
| 41 | EG1108 | | Unit 1 Turbine Outage | - | - | 424,747 | (424,747) | 0.0% | - | 412,000 | 424,747 | 103.1% | Completed | Emergency repair; Budget amendment approved in Dec. |
| 42 | EG1109 | | Unit 3 FD & ID FAN CNRL UP | 45,000 | 45,000 | - | 45,000 | 0.0% | 45,000 | - | - | 0.0% | Deferred | Next fiscal year. |
| 43 | EG1110 | | Unit 3 DCS Com & Software | 30,000 | 30,000 | - | 30,000 | 0.0% | 30,000 | - | - | 0.0% | Deffered | Next fiscal year. |
| 44 | EG1111 | | Unit 2 Boiler Inspection & Repair | - | 175,000 | 102,151 | 72,849 | 58.4% | - | 175,000 | 102,151 | 58.4% | Completed | Emergency repair. |
| 45 | EG1112 | | Unit 3 Heat Expansion Joint | - | 65,000 | - | 65,000 | 0.0% | - | 65,000 | - | 0.0% | Not Started | Scheduled Spring outage. |
| 46 | EG1113 | | Units 1 & 2 Control Modifications | - | 150,000 | - | 150,000 | 0.0% | - | 150,000 | - | 0.0% | Not Started | Scheduled Spring outage. |
| 47 | EG1114 | | Unit 3 Gas Line Modification | - | 60,000 | - | 60,000 | 0.0% | - | 60,000 | - | 0.0% | Not Started | Scheduled Spring outage. |
| 48 | EU1101 | | Distribution Upgrades | 400,000 | 400,000 | 175,147 | 224,853 | 43.8% | 400,000 | 373,018 | 175,147 | 47.0% | Started | Ongoing as needed. |
| 49 | | | | $ 3,609,497 | $ 4,239,497 | $ 1,944,767 | $ 2,294,730 | 45.9% | $ 3,609,497 | $ 3,617,004 | $ 1,944,767 | 53.8% | | |
| 50 | | | | | | | | | | | | | | |
| 51 | | | **Grand Totals** | $ 19,374,399 | $ 18,458,556 | $ 14,765,212 | $ 3,693,344 | 80.0% | $ 3,609,497 | $ 4,494,722 | $ 2,607,250 | 58.0% | | |

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is rebudgeted to start over each fiscal year.
B = Bonded Project

**City of Dover**
**Capital Investment Plan**
**Project Tracking Report**
**February 28, 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 | 2,729,628 |
| 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 | 1,019,629 | 300,000 | 58,709 | 2,797,792 | 4,176,130 |
| Interest Earned | 10,900 | - | - | 40,700 | 51,600 |
| Total Funding Sources (Unaudited) | $ 8,902,720 | $ 1,300,000 | $ 10,681,049 | $ 4,585,722 | $ 26,307,062 |

**City of Dover**
**General Fund - Major CIP Projects**
**February, 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 | $ 1,604,906 | $ 23,075,028 | 6.5% | $ 6,687,039 | $ 7,630,663 | $ 867,840 | 11.4% | Started | Bid Pack A - Done.<br>Bid Pack B - Construction Started. |
| 3 | | | **Totals - FY09** | $ 18,200,000 | $ 24,679,934 | $ 1,604,906 | $ 23,075,028 | 6.5% | $ 6,687,039 | $ 7,630,663 | $ 867,840 | 11.4% | | |
| 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 | $ 461,492 | $ 273,693 | 62.8% | $ 735,185 | $ 735,185 | $ 461,492 | 62.8% | Started | Vehicles being ordered. |
| 11 | PD1001 | | Core Law Enforcement Server Replacement | - | 53,500 | 35,708 | 17,792 | 66.7% | - | 53,500 | 35,708 | 66.7% | Started | Specifications done. |
| 12 | PD1101 | | Public Assembly Room Upgrade | - | 20,000 | - | 20,000 | 0.0% | - | 20,000 | - | 0.0% | | |
| 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 | | Concrete Program | 50,000 | 50,000 | 45,759 | 4,241 | 91.5% | 50,000 | 50,000 | 45,759 | 91.5% | Started | Complete with contractor portion. |
| 16 | ST1102 | | 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. |
| 17 | MR1101 | | Downtown Security Cameras | 31,500 | 31,500 | 17,325 | 14,175 | 55.0% | 31,500 | 31,500 | 17,325 | 55.0% | Started | Contract signed. |
| 18 | | | **Totals - FY11** | $ 445,175 | $ 1,235,185 | $ 873,236 | $ 361,949 | 70.7% | $ 1,161,685 | $ 1,235,185 | $ 873,236 | 70.7% | | |
| 19 | | | | | | | | | | | | | | |
| 20 | | | **Grand Totals** | $ 18,695,175 | $ 25,955,119 | $ 2,506,770 | $ 23,448,349 | 9.7% | $ 7,848,724 | $ 8,902,720 | $ 1,766,576 | 19.8% | | |

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**
**February, 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 | $ 441,498 | $ 37,650 | 92.1% | $ 121,891 | $ 121,891 | $ 84,241 | 69.1% | Started | Ongoing. |
| 3 | | | **Totals** | $ 400,000 | $ 479,148 | $ 441,498 | $ 37,650 | 92.1% | $ 121,891 | $ 121,891 | $ 84,241 | 69.1% | | |
| 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% | | Trying to move this to Library Project if State approves. |
| 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 | 272,779 | 246,672 | 90.4% | | In progress. |
| 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% | | |
| | CT1162 | | Library Access Rd. | 105,000 | 105,000 | - | 105,000 | 0.0% | 105,000 | 105,000 | - | 0.0% | | |
| 21 | ST1101 | | Street & Alley Program | 300,000 | 300,000 | 179,271 | 120,729 | 59.8% | 300,000 | 300,000 | 179,271 | 59.8% | | In progress. |
| 22 | | | State Agreements not yet rec'd | 458,968 | 346,468 | - | 346,468 | 0.0% | 242,755 | 242,755 | - | 0.0% | | Agreements have not been received. |
| 23 | | | **Totals** | $ 1,163,659 | $ 1,154,872 | $ 546,569 | $ 608,303 | 47.3% | $ 1,051,159 | $ 1,051,159 | $ 546,569 | 52.0% | | |
| 24 | | | | | | | | | | | | | | |
| 25 | | | **Grand Totals** | $ 1,690,609 | $ 1,760,970 | $ 1,028,067 | $ 732,903 | 58.4% | $ 1,300,000 | $ 1,300,000 | $ 670,810 | 51.6% | | |

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**
**February, 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 | | South Governors Ave. Water Main Upgrade | $ 200,000 | $ 200,000 | $ 2,664 | $ 197,336 | 1.3% | $ - | $ 197,336 | $ - | 0.0% | Complete | Done. |
| 3 | WD0804 | M | 1.0 MG Elevated Water Storage Tower | 4,196,600 | 2,590,000 | 12,847 | 2,577,153 | 0.5% | - | 193,377 | 6,224 | 3.2% | Started | Selecting Tank Model & Site; FY11 = Constr. |
| 4 | WD0805 | M | Piney Point Well | 398,800 | 665,000 | 63,499 | 601,501 | 9.5% | - | 162,525 | 11,024 | 6.8% | Started | DNREC permiting; FY11 = Constr. |
| 5 | WW0809 | M | South 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 | 2,884,955 | 524,686 | 84.6% | - | 2,335,862 | 2,016,793 | 86.3% | Complete | Done. |
| 7 | | | **Totals - FY08** | $ 7,472,200 | $ 7,155,641 | $ 2,977,526 | $ 4,178,115 | 41.6% | $ - | $ 3,168,344 | $ 2,035,846 | 64.3% | | |
| 8 | | | | | | | | | | | | | | |
| 9 | | | **FY2009** | | | | | | | | | | | |
| 10 | WQ0905 | M/SL | Bayard Avenue | $ 590,910 | $ 590,910 | $ 243,276 | $ 347,634 | 41.2% | $ - | $ 584,420 | $ 236,786 | 40.5% | 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 | 148,606 | 887,292 | 14.3% | - | 967,801 | 24,610 | 2.5% | Started | Going to bid. Start in May. |
| 13 | | | Water Quality Improvements FY09 | $ 2,518,317 | $ 2,504,404 | $ 569,060 | $ 1,935,344 | 22.7% | $ - | $ 2,399,921 | $ 409,571 | 60.5% | Started | |
| 14 | | | | | | | | | | | | | | |
| 15 | WW0902 | M/SL | DE State University Pumping Station | $ 386,400 | $ 386,400 | $ 293,367 | $ 93,033 | 75.9% | - | 240,324 | 147,652 | 61.4% | 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 Pump Station Replace. | 386,400 | 386,400 | 294,040 | 92,360 | 76.1% | - | 210,528 | 118,529 | 56.3% | Completed | Done. |
| 18 | | | **Totals - FY09** | $ 3,424,217 | $ 3,416,449 | $ 1,395,256 | $ 2,021,193 | 40.8% | $ - | $ 2,850,773 | $ 696,104 | 24.4% | | |
| 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 | 1,221 | 1,798,779 | 0.1% | - | 1,798,447 | - | 0.0% | Started | Construction to start in July. |
| 23 | WW1007 | M/SL | Fox Hall Pump Station | 427,900 | 52,000 | 46,076 | 5,924 | 88.6% | 375,900 | 426,044 | 44,220 | 10.4% | Started | Out to bid. |
| 24 | WW1008 | M/SL | Heatherfield Force Main Rerouting | 220,400 | 40,000 | 35,534 | 4,466 | 88.8% | 229,200 | 267,916 | 34,250 | 12.8% | Started | Out ot bid. |
| 25 | WW1010 | I | Tar Ditch Interceptor Upgrade | 518,230 | 518,230 | 15,081 | 503,149 | 2.9% | - | 516,781 | 13,632 | 2.6% | Started | Reviewing design. |
| 26 | WS1001 | | Various Pump Motor Replacements | 45,248 | 45,248 | - | 45,248 | 0.0% | - | 45,248 | - | 0.0% | Started | Grant approved. Ordering begun. |
| 27 | | | **Totals - FY10** | $ 3,066,778 | $ 2,510,478 | $ 121,017 | $ 2,389,461 | 4.8% | $ 605,100 | $ 3,086,332 | $ 92,103 | 3.0% | | |
| 28 | | | | | | | | | | | | | | |
| 29 | | | **FY2011** | | | | | | | | | | | |
| 30 | WD1101 | | Misc. Distribution 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 Program | 60,000 | 60,000 | - | 60,000 | 0.0% | 60,000 | 60,000 | - | 0.0% | Started | Work starting in March\April. |
| 32 | WQ1101 | | WQI - Loockerman Street | 500,000 | 60,000 | 35,677 | 24,323 | 59.5% | 500,000 | 60,000 | 35,677 | 59.5% | Not Started | See above FY09. |
| 33 | WQ1102 | | WQI - Columbia Avenue | - | 303,000 | 637.50 | 302,363 | 0.2% | - | 303,000 | 638 | 0.2% | Not Started | See above FY09. |
| 34 | WQ1103 | | WQI - Ross Street | - | 117,000 | 637.50 | 116,363 | 0.5% | - | 117,000 | 638 | 0.5% | Not Started | See above FY09. |
| 35 | WQ1104 | | WQI - William Street | - | 10,000 | 637.50 | 9,363 | 6.4% | - | 10,000 | 638 | 6.4% | Not Started | See above FY09. |
| 36 | WQ1105 | | WQI - West Street (W. Alley) | - | 10,000 | 637.50 | 9,363 | 6.4% | - | 10,000 | 638 | 6.4% | Not Started | See above FY09. |
| 37 | WW1101 | M/SL | Inflow/Infiltration Removal | 500,000 | 500,000 | 6,113.82 | 493,886 | 1.2% | 500,000 | 500,000 | 6,114 | 1.2% | Started | Will start after FY10 is done. |
| 38 | WW1102 | R | Scada Technology Equip Upgrade | 82,100 | 82,100 | 63,589 | 18,511 | 77.5% | 82,100 | 82,100 | 63,589 | 77.5% | Started | 4 of 7 installed. |
| 39 | WW1103 | | Del State/Del Tech Force Main Rerouting | 286,500 | 286,500 | 3,451 | 283,049 | 1.2% | 286,500 | 286,500 | 3,451 | 1.2% | Done | Shifted completion to interceptor (WW0810). |
| 40 | WW1104 | SL | Lepore Road Pump Station Replacement | 52,000 | 52,000 | 13,135 | 38,865 | 25.3% | 52,000 | 52,000 | 13,135 | 25.3% | Started | Design with Braun. |
| 41 | WW1105 | R | Misc. Sewer System Improvements | 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 | $ 159,668 | $ 1,415,932 | 10.1% | $ 1,575,600 | $ 1,575,600 | $ 159,668 | 10.1% | | |
| 43 | | | | | | | | | | | | | | |
| 44 | | | **Grand Totals** | $ 15,538,795 | $ 14,658,168 | $ 4,653,466 | $ 10,004,702 | 31.7% | $ 2,180,700 | $ 10,681,049 | $ 2,983,720 | 27.9% | | |

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.
SL = State Loan Project - construction phase is financed
I = Impact Fee Financed Project

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

| | Hide Project Code | Type | Description | TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS: Original Project Budget | Latest Project Budget | Project To Date Expenses | Project Budget Balance | % Budget Spent | CURRENT FISCAL YEAR: 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 | 550,725 | 1,517,535 | 26.6% | - | 250,000 | 30,264 | 12.1% | Completed | Done. |
| 4 | | | **Totals - FY06** | $ 12,328,450 | $ 10,762,042 | $ 9,312,486 | $ 1,449,556 | 86.5% | $ - | $ 254,242 | $ 34,506 | 13.6% | | |
| 5 | | | | | | | | | | | | | | |
| 6 | | | **FY 2008** | | | | | | | | | | | |
| 7 | EG0801 | | Unit 3 Turb Bearing Fire Protect Deluge | $ 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 (Replmnt) | $ 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 Replacement | 85,000 | 85,000 | 26,577 | 58,423 | 31.3% | - | - | 9,859 | 0.0% | Completed | Done. |
| 14 | EG1009 | | Photovoltaic Install @ McKee Run | - | 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 Replacement | 256,218 | 256,218 | 202,419 | 53,799 | 79.0% | 256,218 | 256,218 | 202,419 | 79.0% | Started | Material being received. |
| 25 | EE1102 | | Replace of 69 kV Breakers | 100,000 | 100,000 | 60,792 | 39,208 | 60.8% | 100,000 | 100,000 | 60,792 | 60.8% | 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 Equipment Replmnt | 40,000 | 40,000 | 24,751 | 15,249 | 61.9% | 40,000 | 40,000 | 24,751 | 61.9% | 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 | 705 | 90,295 | 0.0% | - | 91,000 | 705 | 0.8% | Started | Electric line relocation. |
| 31 | EE1111 | | UG Transformers | 120,536 | 120,536 | 77,703 | 42,833 | 64.5% | 120,536 | 120,536 | 77,703 | 64.5% | Started | Ongoing as needed. |
| 32 | EE1111 | | UG Conductors | 529,464 | 521,896 | 179,199 | 342,697 | 34.3% | 529,464 | 521,896 | 179,199 | 34.3% | 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% | | |
| 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 | Scoping construction in FY12. |
| 38 | EG1104 | | Unit 3 Aux System Components | 113,000 | - | - | - | 0.0% | 113,000 | - | - | 0.0% | Deferred | Funding reallocated to Unit 1 repair. 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 | Funding reallocated Unit 1 repair. Defered to FY12. |
| 41 | EG1107 | | Units 1 & 2 Life Extension | 276,000 | 225,000 | 41,546 | 183,454 | 18.5% | 276,000 | 225,000 | 41,546 | 18.5% | Started | Scoping, some funding reallocated Unit 1 repair. |
| 42 | EG1108 | | Unit 1 Turbine Outage | - | 412,000 | 424,747 | (12,747) | 0.0% | - | 412,000 | 424,747 | 103.1% | Completed | Emergency repair; Budget amendment approved in Dec. |
| 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 | 102,151 | 21,849 | 82.4% | - | 124,000 | 102,151 | 82.4% | Completed | Emergency repair. |
| 46 | EG1112 | | Unit 3 Heat Expansion Joint | - | 65,000 | - | 65,000 | 0.0% | - | 65,000 | - | 0.0% | Started | Started with spring outage. |
| 47 | EG1113 | | Units 1 & 2 Control Modifications | - | 150,000 | 18,223 | 131,777 | 12.1% | - | 150,000 | 18,223 | 12.1% | Started | Started with spring outage. |
| 48 | EG1114 | | Unit 3 Gas Line Modification | - | 60,000 | - | 60,000 | 0.0% | - | 60,000 | - | 0.0% | Started | Started with spring outage. |
| 49 | EU1101 | | Distribution Upgrades | 400,000 | 373,018 | 255,578 | 117,440 | 68.5% | 400,000 | 373,018 | 255,578 | 68.5% | Started | Ongoing as needed. |
| 50 | | | | $ 3,609,497 | $ 3,708,081 | $ 2,192,378 | $ 1,515,703 | 59.1% | $ 3,609,497 | $ 3,708,081 | $ 2,192,378 | 59.1% | | |
| 51 | | | | | | | | | | | | | | |
| 52 | | | **Grand Totals** | $ 19,374,399 | $ 18,221,630 | $ 15,012,823 | $ 3,208,807 | 82.4% | $ 3,609,497 | $ 4,585,722 | $ 2,854,861 | 62.3% | | |

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

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# City of Dover

# January Monthly Report

# Energy and Operations Management

## February 24, 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.

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# TABLE OF CONTENTS

**1.0 – Executive Summary ..... 2**

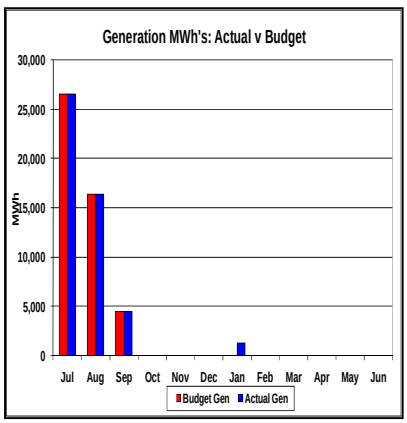
**2.0 – Budget Report ..... 5**
2.1 – Variance Report ..... 6
2.2 – Variance Analysis ..... 8

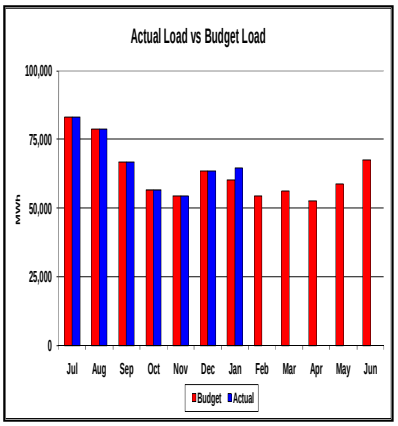
**3.0 – Energy management ..... 9**
3.1 – Purchased Power ..... 9
3.2 – Generation Management ..... 12
3.3 – Emissions and Allowance Management ..... 19

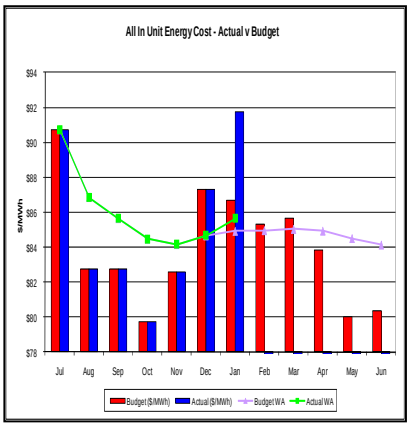
**4.0 – Operations Management ..... 24**

**Appendices ..... 40**
I. PJM Invoice Breakdown ..... 40
II. Load, All In Energy and all in cost of service table ..... 41
III. Glossary ..... 42

# 1.0 – EXECUTIVE SUMMARY




***Purchased Power Management***

Wholesale load for the month of January was 64,462 MWhs, versus a weather normalized projected load of 60,136 MWhs. Hedged transactions accounted for 53,040 MWhs or 83% of this volume (88% of forecasted load) at a cost of $3.87 million. Spot Market purchases resulted in a PJM charge of $1.57 million (a $1.57 million charge in the Day Ahead market and a $6 thousand charge in the Real Time market). Other PJM related charges accounted for an additional cost of $1.36 million, inclusive of all load related fees. January Energy Only Unit Cost, excluding capacity obligations and credits, was $5.11/MWh unfavorable compared to the budgeted value of $86.66/MWh. On January 24, 2011, City of Dover reviewed and approved Pace and NAES submittal on 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 $88.65/MWh, or $1.78/MWh favorable as compared to the Reset Budget[1].

***Generation and Asset Management***

Net generation for the month of January credited by PJM was 1,267 MWhs and the budget did not expect any generation. During the month both McKee Unit 3 and Van Sant Unit 11 were dispatched by PJM. In aggregate, Dover's units were dispatched for 26 hours during the month, creating a generation production margin of $34 thousand (after fuel costs). Unit 3 and Van Sant units also conducted and successfully completed PJM Winter Capacity Testing for the month.

***Emissions Allowance Management***

Given the regulatory uncertainty surrounding the allowance markets, Dover has elected not to include revenues from emission allowance sales in their 2010-2011 fiscal year budget. Dover

[1] The projected all in Cost of Service is based on YTD actual results for 7 months and 5 months of projected costs.

purchased and retired 53 $NO_X$ seasonal allowances on November 23rd in order to meet their 2010 $NO_X$ seasonal compliance position. Additionally, Dover is expected to purchase 22 $NO_X$ annual allowances on February in order to cover their 2010 $NO_X$ annual compliance position. Dover has dispatched units and the appropriate number of allowances are set aside for retirement (see Exhibit 1).

**Exhibit 1: Emissions and Allowance Summary through January 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) | | |
| 12/31/11 | 2011 YTD Emissions | (2) | | | | (2) | | |
| **Totals - Allowances** | | **3,191 3,974 CAIR** | **--** | **$0** | **52** | **52** | **--** | **$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.

Given current dispatch expectations, the market value of the remaining 2007-2011 Dover allowance inventory is approximately $65,193 at the time of this report. This represents 3,191

pre-CAIR $SO_2$ allowances trading at $8.50/ton, 3,974 post-CAIR $SO_2$ allowances trading at $5/ton, 52 $NO_x$ annual allowances trading at $325/ton, and 52 $NO_x$ seasonal allowances trading at $25/ton.

| EMISSIONS & ALLOWANCE SUMMARY Through January 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 | 2 | 0 | 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 | 0 | (44) |
| $NO_x$ Seas – 2010 | 50 | 0 | 122 | 0 | (53) | (19) |
| $NO_x$ Annu – 2011 | 76 | 2 | 0 | 0 | 0 | 74 |
| $NO_x$ Seas – 2011 | 49 | 0 | 0 | 0 | 0 | 49 |

***Operations Management Summary***

During the month of January, there were no reportable or lost time accidents or injuries. The facility has now gone 109 days without an OSHA recordable accident and 109 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued and no near miss events. There were four opacity deviations that occurred during a Unit 3 operation. Unit 3 was dispatched once and VanSant was dispatched twice during the month. Winter capacity tests were completed successfully on both of these units during these operating periods.

Monthly Budget Variance - The actual expenses attributable to O&M of the two sites for the month of January were $337,207. The expenses were $144,600 or 30.0% under the approved budget (or $84,000 or 20% under the reset budget) of $481,807. The principal reason for the positive variance is due to the timing of payments for electricity, Contractual Services, and Permit costs paid in December.

[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.

***Risk Management Summary***

Forward PJM power prices fell across the board since the last reporting period. The fall in prices in the front of the curve was driven by moderate temperatures, with the expectation of continued warmer temperatures, combined with the upcoming shoulder months, which are historically cheaper. Forward Dover Zone power prices for FY 2010-11 decreased by $1.80/MWh (a decrease of 3.45%) since the last reporting period while FY 2011-2012, FY 2012-2013, FY 2013-2014, and FY 2014-2015 all changed by approximately -$0.54/MWh to -$3.38/MWh (representing a range of 0.96% decrease and a 6.40% decrease, respectively) compared with the last reporting period.

The individual years' hedge ratios and Cost-of-Service projections, with the cost impact of expected solar plant volumes, is shown in the table below:

**Wholesale Cost-of-Service Summary (Projected)**

| Date 2/17/2011 | **Budget** | **February** | | | | **Jan** | **Dec** |
|---|---|---|---|---|---|---|---|
| Power Year | Cost-of-Service Budget | Cost-of Service w/Solar Costs Only $/MWh* | Hedge Ratio | Year-to Year Increase | Forecasted over 2009-10 Budget | Cost-of Service $/MWh | Cost-of Service $/MWh |
| **2010-2011** | N/A | $85.65 | 89% | -4.3% | -8.50% | $85.15 | $84.93 |
| **2011-2012** | N/A | $78.94 | 85% | -8.6% | -16.35% | $79.52 | $79.49 |
| **2012-2013** | N/A | $72.22 | 76% | -8.7% | -23.60% | $72.69 | $73.04 |
| **2013-2014** | N/A | $70.08 | 48% | -3.1% | -25.98% | $70.61 | $71.46 |
| **2014-2015** | N/A | $68.08 | 16% | -3.0% | -28.18% | $68.94 | $70.24 |

**Note that the "Cost-of-Service w/Solar Costs Only" column does not reflect the SREC benefit the City will receive since the SREC prices are currently unknown*

***Assumes solar generation will start in June 2011*

# 2.0 – BUDGET REPORT

## 2.1 – VARIANCE REPORT

| | Budget Jan-11 | Actual Jan-11 | Variance Jan-11 |
|---|---|---|---|
| **Load Forecast** | **60,136** | **64,462** | **(4,326)** |
| | | | |
| **Power Supply** | | | |
| Power Supply | $3,914,238 | $3,865,362 | $48,876 |
| Power Supply Management | $190,242 | $190,522 | ($280) |
| Capacity Charges - Load | $1,078,287 | $1,078,287 | $0 |
| PJM Charges - Load | $1,107,048 | $1,860,072 | ($753,024) |
| **Total - Power Supply** | **$6,289,815** | **$6,994,243** | **($704,428)** |
| | | | |
| **Generation** | | | |
| Plant Operations | $421,207 | $337,207 | $84,000 |
| Generation Fuel | $0 | $237,651 | ($237,651) |
| Capacity Credits | ($1,002,527) | ($1,002,528) | $0 |
| PJM Credits | ($34,012) | ($305,692) | $271,680 |
| **Total - Generation** | **($615,333)** | **($733,362)** | **$118,029** |
| | | | |
| **Emission Allowance Sales** | | | |
| **Total - Emission Allowance Sales** | **$0** | **$0** | **$0** |
| | | | |
| **Total Power Supply & Generation** | **$5,674,482** | **$6,260,881** | **($586,399)** |
| **Total Power Supply, Generation & Emission Sales** | **$5,674,482** | **$6,260,881** | **($586,399)** |
| | | | |
| **Unit Costs** | | | |
| Total – Power Supply | $104.59 | $108.50 | ($3.91) |
| Total - Generation + Emission Sales | ($10.23) | ($11.38) | $1.14 |
| **Final Cost of Service to City of Dover Ratepayers** | **$94.36** | **$97.13** | **($2.76)** |

| | Budget YTD | Actual YTD | Variance YTD |
|---|---|---|---|
| **Load Forecast** | **463,249** | **467,576** | **(4,326)** |
| | | | |
| **Power Supply** | | | |
| Power Supply | $29,116,550 | $29,067,674 | $48,876 |
| Power Supply Management | $1,383,186 | $1,383,466 | ($280) |
| Capacity Charges - Load | $7,476,394 | $7,476,394 | ($0) |
| PJM Charges - Load | $8,841,659 | $9,594,683 | ($753,023) |
| **Total - Power Supply** | **$46,817,790** | **$47,522,217** | **($704,427)** |
| | | | |
| **Generation** | | | |
| Plant Operations | $3,531,624 | $3,447,624 | $84,000 |
| Generation Fuel | $3,138,177 | $3,375,827 | ($237,651) |
| Capacity Credits | ($6,964,307) | ($6,964,307) | $0 |
| PJM Credits | ($5,312,543) | ($5,584,223) | $271,680 |
| **Total - Generation** | **($5,607,049)** | **($5,725,078)** | **$118,029** |
| | | | |
| **Emission Allowance Sales** | | | |
| **Total - Emission Allowance Sales** | **$3,445** | **$3,445** | **$0** |
| | | | |
| **Total Power Supply & Generation** | **$41,210,740** | **$41,797,139** | **($586,398)** |
| **Total Power Supply, Generation & Emission Sales** | **$41,214,185** | **$41,800,584** | **($586,398)** |
| | | | |
| **Unit Costs** | | | |
| Total – Power Supply | $101.06 | $101.64 | ($0.57) |
| Total - Generation + Emission Sales | ($12.10) | ($12.24) | $0.14 |
| **Final Cost of Service to City of Dover Ratepayers** | **$88.97** | **$89.40** | **($0.43)** |

## 2.2 – VARIANCE ANALYSIS

Power Supply

- Power Supply realized a favorable $48 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 $753 thousand variance relative to the monthly budget. This variance was driven by Dover's open position, which was 61% 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 $499 thousand greater than budget. Secondary major factor associated with this unfavorable variance included a $417 thousand unfavorable variance in Basis costs. Offsetting these unfavorable variances were a $145 thousand favorable variance in Load Following and a $21 thousand favorable variance in the Transmission Loss Refund.

- For the month an unfavorable $704 thousand net variance between Power Supply (fixed positions) and PJM Charges for Load (open positions, transmission, etc.) was realized due to an unfavorable $384 thousand variance, caused by a change in volume, and an unfavorable $320 thousand variance, caused by a change in price. Hence, 55% of the unfavorable variance can be attributed to volume changes with 45% of the unfavorable variance being attributed to price changes.

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

Generation

- Plant O&M reported a favorable variance of $84 thousand compared to the monthly O&M reset Budget of $421 thousand (or $144 thousand favorable compared to the original budget of $482 thousand). The principal reasons for this favorable variance were (i) lower than expected labor costs and burdens, (ii) decreased spending in materials and supplies expenses and (iii) lower than budgeted electric and water & sewer expenses.

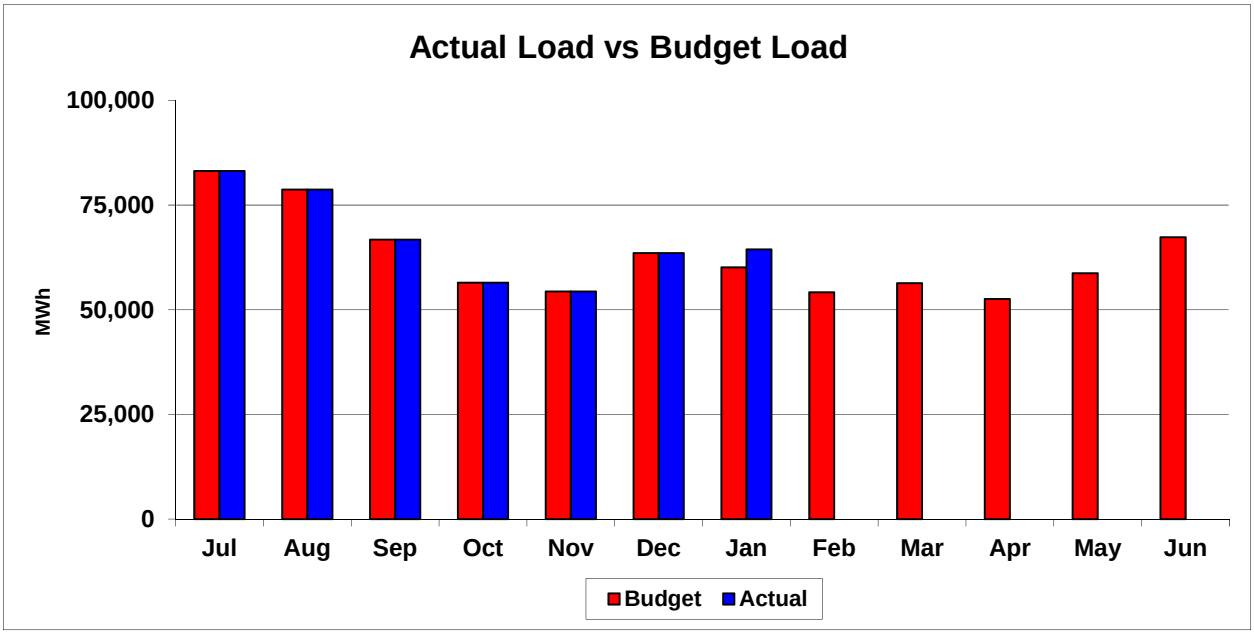
# 3.0 – ENERGY MANAGEMENT

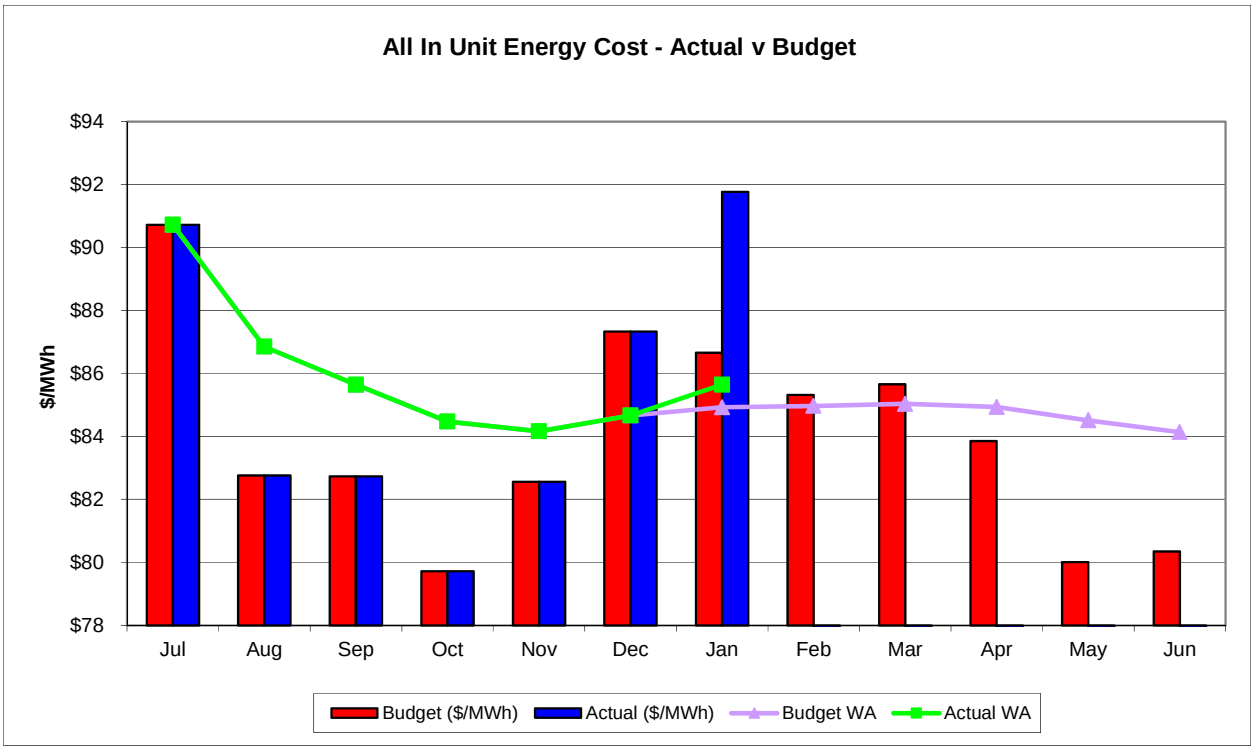
## 3.1 – PURCHASED POWER

Management Highlights

- Dover's January load was 64,462 MWh, which was 7.2% above the weather normalized load of 60,136 MWh. Hedge volumes accounted for 82.3% of actual load for the month.

- The January All In Unit Energy cost (excluding capacity) of $91.77 per MWh is $5.11 per MWh higher 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 Jan-11 | Actual Dec-11 | Variance Dec-11 |
|---|---|---|---|
| **City of Dover Load** | | | |
| Load Obligation (MWh) | 60,136 | 64,462 | (4,326) |
| | | | |
| **Unit Energy Costs ($ per MWh)** | | | |
| Energy Cost (inc. Load Following & Pace Fees) | $79.54 | $85.04 | ($5.50) |
| Pass Through | $6.19 | $5.82 | $0.37 |
| Incentive Fees | $0.93 | $0.91 | $0.02 |
| **Total - All In Unit Energy Cost** | **$86.66** | **$91.77** | **($5.11)** |

## Purchased Power Variance Analysis

- The actual Dover load of 64,462 MWh was 7.2% above the projected January load of 60,136 MWh.

- The All In Unit Energy Cost was $5.11 per MWh higher than budget due to increased open volume purchases, increased energy costs, an unfavorable basis variance and a higher than projected basis cost. Offsetting these negative variances were decreased load following charges and a favorable 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

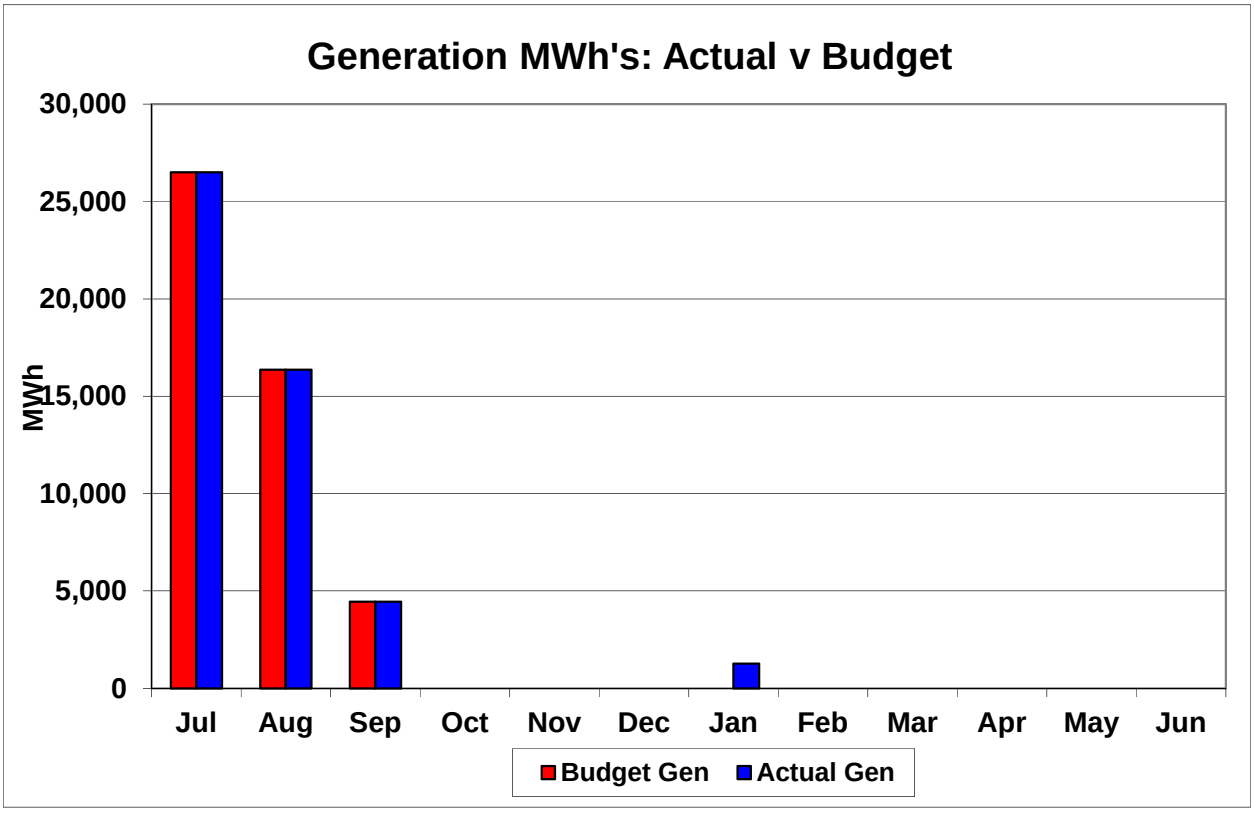
| | |
|---|---|
| Purchased Power (Hedges): 53,040 MWhs @ $72.88/MWh: | $3,865,362 |
| Power Balancing; Additional PJM, and Energy Manager Fee[3]: | $3,128,881 |
| Total Cost to Serve Load (64,462 MWhs) | $6,994,243 |

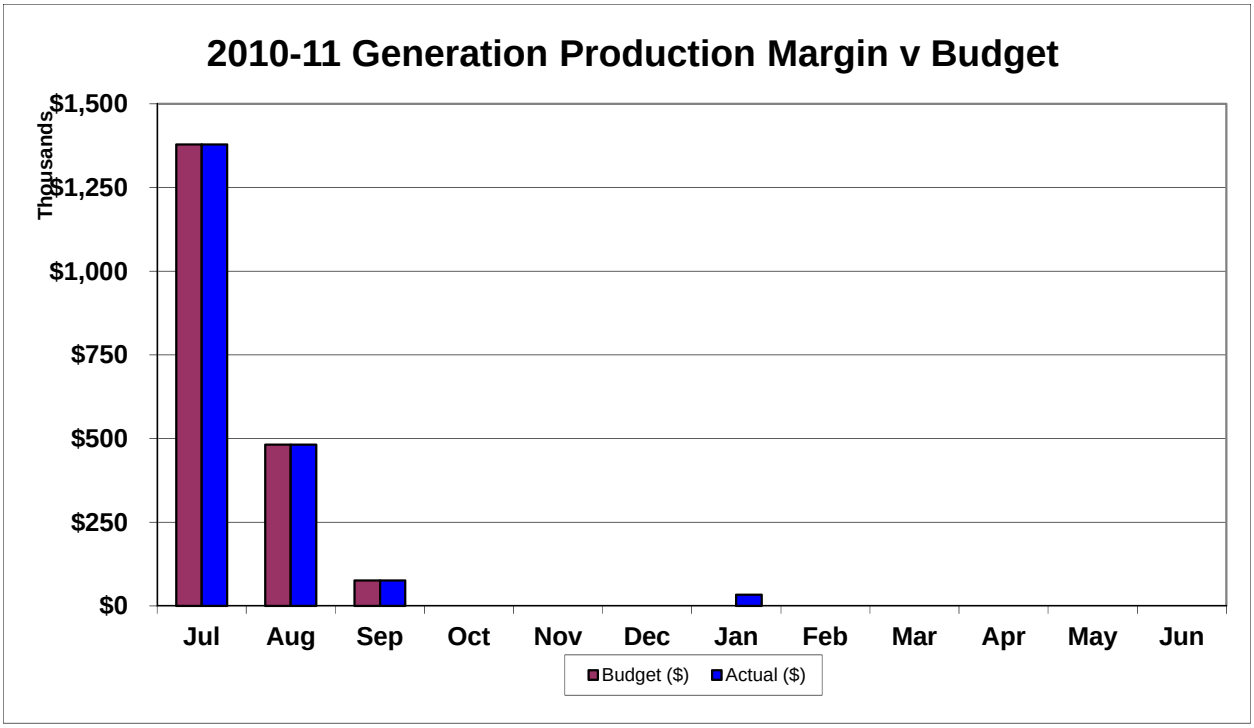
**All In $/MWh load cost inclusive of Energy Management Fees: $108.50/MWh**

[3] Includes estimated Incentive Fees.

## 3.2 – GENERATION MANAGEMENT

- During the month, PJM dispatched McKee Run Unit 3 and Van Sant Unit 11 generating 1,267 MWhs. The budget did not expect any generation for the month. Unit 3 and Van Sant units also conducted and successfully completed PJM Winter Capacity Testing for the 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 ($)

PACE GLOBAL

## Generation Management Variance Report

| | Budget Jan-11 | Actual Jan-11 | Variance Jan-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 | $0.00 |
| | | | |
| **Power Sales** | | | |
| Power Sales (MWh) | 0 | 1,267 | (1,267) |
| Sales Revenue ($ per MWh) | $0.00 | ($214.51) | $214.51 |
| **Power Sales Revenue ($)** | **$0** | **($271,679.50)** | **$271,680** |
| **Variable Fuel & Transport** | | | |
| Fuel Oil No.2 Volume - McKee (gal) | 0 | 25,707 | (25,707) |
| Fuel Oil No.2 - McKee ($/gal) | $0.00 | $2.07 | ($2.07) |
| Fuel Oil No.2 Cost of Goods Sold - McKee ($) | $0 | $53,213.49 | ($53,213) |
| | | | |
| Fuel Oil No.2 Volume - Van Sant (gal) | 0 | 37,013 | (37,013) |
| Fuel Oil No.2 - Van Sant ($/gal) | $0.00 | 1.92 | ($1.92) |
| Fuel Oil No.2 Cost of Goods Sold - Van Sant ($) | $0.00 | 71,064.96 | ($71,064.96) |
| | | | |
| Gas Volume (Dth) | 0 | 5,721 | (5,721) |
| Unit Gas Price ($/Dth) | $0.00 | $19.82 | ($19.82) |
| Variable Gas Cost ($) | $0.00 | $113,372.16 | ($113,372.16) |
| Transport ($) | $0.00 | 0 | $0.00 |
| Variable Gas and Transport Costs ($) | $0.00 | $113,598.82 | ($113,598.82) |
| **Variable Fuel & Transport Costs ($)** | **$0** | **$237,650.61** | **($237,651)** |
| | | | |
| **Testing** | $0.00 | $0.00 | $0.00 |
| | | | |
| **Generation Production Margin** | **$0.00** | **($34,028.89)** | **$34,028.89** |
| | | | |
| **Generation Capacity Payment** | | | |
| **Total - Generation Capacity Payment** | **($1,002,527)** | **($1,002,528)** | **$0** |

**Generation Management Variance Analysis**

Fuel Expense

- PJM dispatched Dover's units into the market and McKee Run Unit 3 and Van Sant units consume natural gas and fuel oil to generate 1,267MWh. Furthermore, these units also performed and completed PJM Winter Capacity Testing for the month.

| ***Generation Production Margin*** | | |
|---|---|---|
| Transaction | Volumes | Revenue/(Cost) |
| PJM Invoice for Power Sold | 1,267 MWhs | $271,679 |
| Fuel and Transport | 5,721 Dth gas/ 25,707 gal #2 oil 37,013 gal #2 oil Low Sulfur | ($237,651) |
| Generation Production Margin | 1,267 MWhs | $34,029 |

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 McKee Run Unit 3 consumed 5,721 Dth.

| Date | Volume (Dth) | Price ($/Dth) | Total Commodity Cost ($) |
|---|---|---|---|
| *Hess Corp* | | | |
| **Sub-Total** | 0 | $0.00 | $0.00 |
| *PESCO* | | | |
| 23-Jan | 455 | $19.38 | $8,817.90 |
| 23-Jan | (184) | $4.36 | ($802.24) |
| 24-Jan | 4,000 | $18.23 | $72,920.00 |
| 24-Jan | 1,450 | $22.37 | $32,436.50 |
| **Sub-Total** | 5,721 | $19.82 | $113,372.16 |
| *NJNG* | | | |
| **Sub-Total** | 0 | $0.00 | $0.00 |
| | | | |
| **Total** | **5,721** | **$19.82** | **$113,372.16** |

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

McKee Run Unit 3 and Van Sant Unit 11 were dispatched into PJM consuming fuel oil. In addition, the aforementioned Dover units conducted PJM Winter Capacity testing this month. In aggregate, the units consumed approximately 62,720 gal of #2 fuel oil for the month.

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

| *Tank Inventory Estimates as of January 31* | | | |
|---|---|---|---|
| Tank | Tank Capacity (gallon) | Inventory In (gallon) | Days of Burn (Typical Dispatch[4]) |
| **McKee Run** (#2 Fuel Oil) | 2,554,105 | 442,388 | 3 |
| **Van Sant** (#2 Fuel Oil) | 258,000 | 113,097 | 3 |

| *January 2011 Fuel Oil Consumption McKee Run and Van Sant* | | | | | |
|---|---|---|---|---|---|
| Date | #2 Oil Burns / gal | Inventory Price ($/gal) | Market Price ($/gal) | Inventory Cost | Market Cost |
| 23-Jan | 13,571 | $2.07 | NA | ($28,092) | NA |
| 24-Jan | 37,013 | $1.92 | NA | ($71,065) | NA |
| 24-Jan | 12,136 | $2.07 | NA | ($25,121) | NA |
| **Total** | **62,720** | | | **($124,278)** | |

[4] 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 their 2010-2011 fiscal year budget. Dover purchased and retired 53 $NO_X$ seasonal allowances on November 23rd in order to meet their 2010 $NO_X$ seasonal compliance position. Additionally, Dover is expected to purchase 22 $NO_X$ annual allowances on February in order to cover their 2010 $NO_X$ annual compliance position. Dover has dispatched units and the appropriate number of allowances are set aside for retirement (see Exhibit 1).

**Exhibit 1: Emissions and Allowance Summary through January 31, 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 | | |
| 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) | | |
| 12/31/11 | 2011 YTD Emissions | (2) | | | | (2) | | |
| **Totals - Allowances** | | **3,191 3,974 CAIR** | **--** | **$0** | **52** | **52** | **--** | **$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.

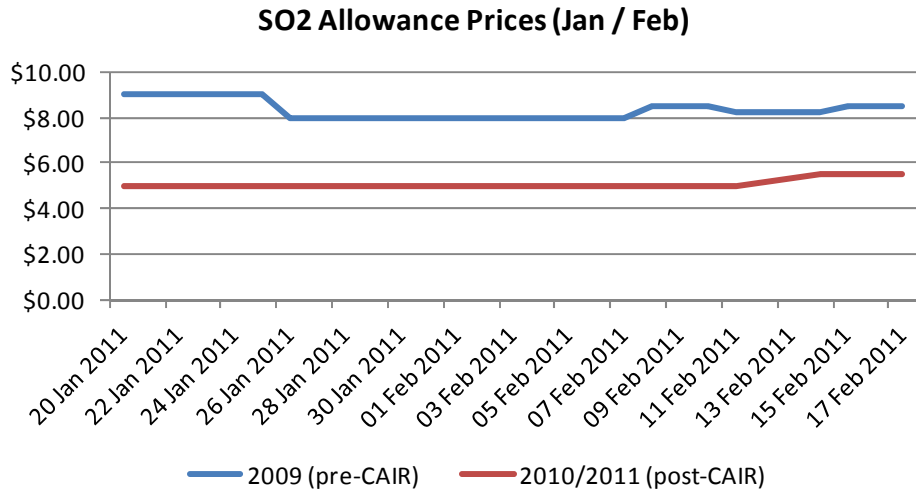
(2) Per the Clean Air Interstate Rule, in 2009, NOx emissions will be governed by a seasonal and annual program. The $NO_x$ seasonal emissions pertain only to emissions (May 1 – Sep 30), similar to the previous trading regimen. Annual emissions cover the entire year.

Given current dispatch expectations, the market value of the remaining 2007-2011 Dover allowance inventory is approximately $65,193 at the time of this report. This represents 3,191 pre-CAIR $SO_2$ allowances trading at $8.50/ton, 3,974 post-CAIR $SO_2$ allowances trading at $5/ton, 52 $NO_x$ annual allowances trading at $325/ton, and 52 $NO_x$ seasonal allowances trading at $25/ton.

## $SO_2$

$SO_2$ prices remain relatively flat with vintage 2009 or earlier allowances trading around $9/ton and vintage 2010 allowances or later trading around $5/ton (see Figure 1 – SO2 Prices since Last Monthly Report). $SO_2$ prices will likely remain at or near these pricing levels until either EPA releases final rules for the Clean Air Transport Rule (Transport Rule) or Congress passes legislation regulating the markets.

**Figure 1 – $SO_2$ Prices since Last Monthly Report**




## $NO_x$

$NO_X$ annual allowance prices have leveled off some after consecutive months of climbing (See Figure 2 – NOX annual prices since last monthly report.) On February 11, 2011, Dover executed an agreement to purchase 22 $NO_X$ annual allowances at $365/ton in order to cover a portion of their 2010 emissions. Dover paid a slightly higher price than the then current "market price" due to the small number of allowances Dover sought to purchase. Pace Global solicited pricing offers for about a week and was able to secure allowances at this price, which was substantially lower than other offers it received. Pace Global advised Dover to purchase allowances at that time in order to avoid paying a higher price closer to the statutory deadline for retiring allowances of March 1, 2011.

$NO_X$ seasonal prices remained completely flat at $25/ton (See Figure 3 – NOX seasonal prices since last monthly report.)

**Figure 2 – $NO_X$ annual prices since last monthly report**

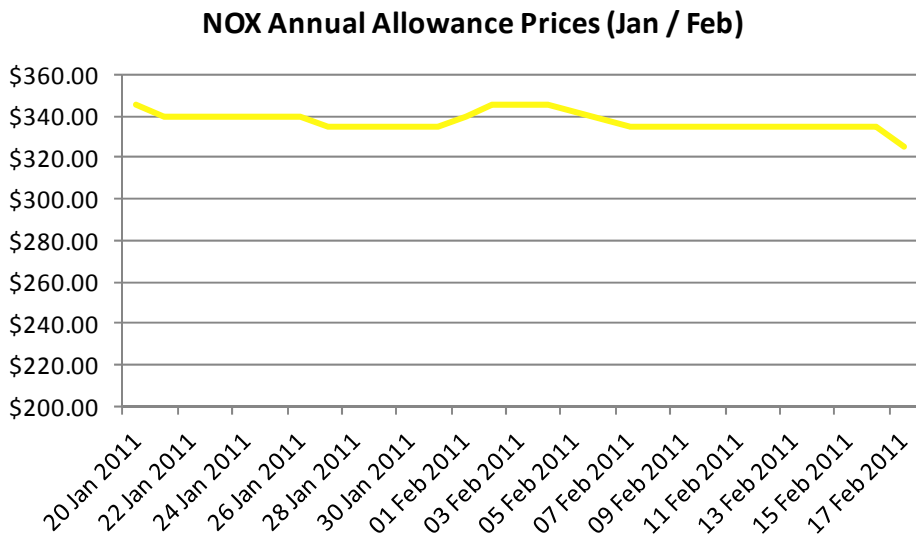
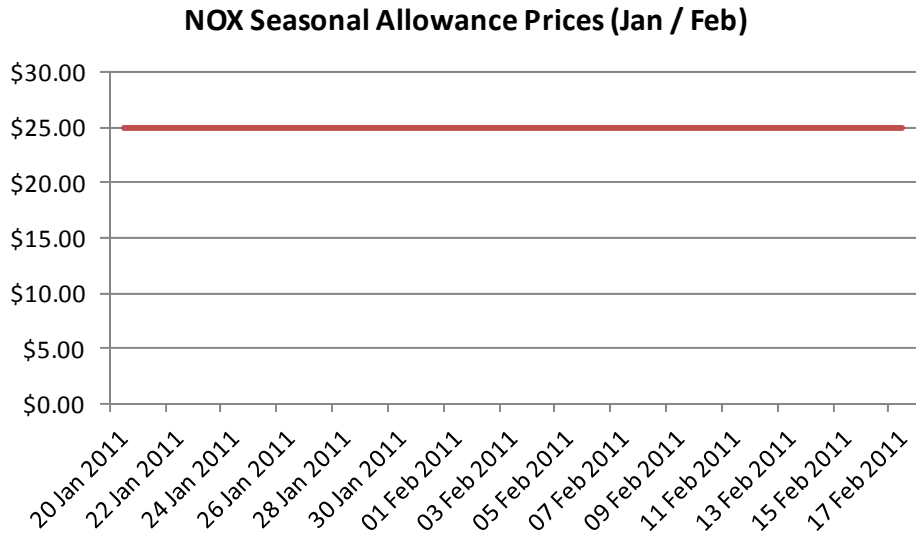



**Figure 3 – $NO_X$ seasonal prices since last monthly report**




## $SO_2$ and NOx Outlook

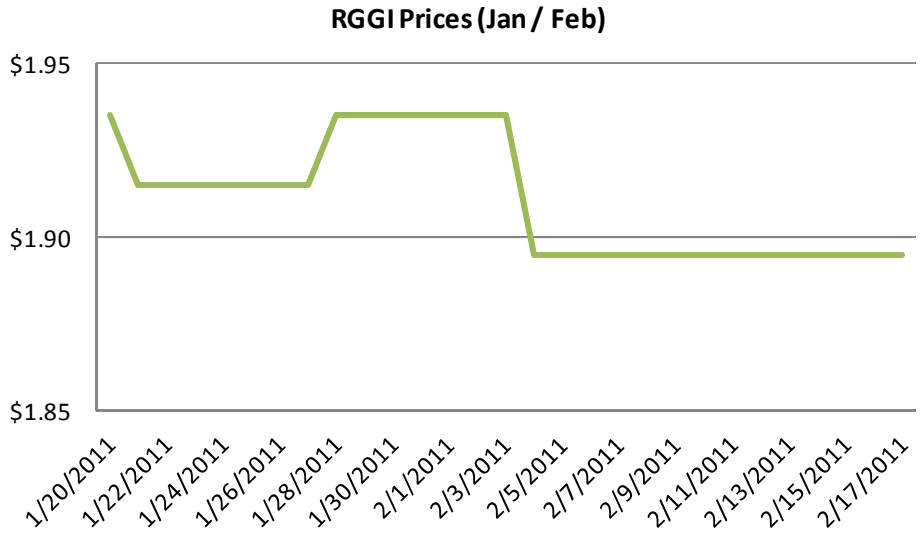
The $SO_2$ and $NO_X$ markets continue to be hampered by regulatory uncertainty. While market participants await the release of the final Transport Rule, congressional action around the issue appears to be picking up. This week, Representative Ed Whitfield (R-Kentucky) announced that there is draft legislation circulating among the House of Representatives that would effectively keep CAIR in place. Meanwhile, Senator Carper (D-Delaware) continues to champion a bill that would keep CAIR in place until 2012, and then tighten emissions caps in later years.

Despite some early rumblings that Congress might try to cut EPA's budget for regulating $SO_2$, $NO_X$ and other traditional or criteria pollutants, the House's 2011 proposed budget takes aim at GHG regulations but would leave other regulatory programs largely in place.

## RGGI and Federal Carbon Outlook

RGGI allowance prices continue to flounder around the statutory floor price of $1.86/ton. RGGI is substantially over supplied and as a result allowances prices have remained extremely low (see Figure 4 – RGGI Allowance Prices).

**Figure 4 – RGGI Allowance Prices**




The conversion potential of RGGI allowances into federal allowance volume in a national carbon market remains the main support for RGGI pricing. However, with major uncertainty surrounding the ultimate ability to pass legislation in the near-term, RGGI allowance prices continue to remain very low. 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 $285,000. 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 second peg of these drivers, EPA regulation under their existing authority, may take a serious hit if the House of Representative's proposed budget, defunding most of EPA's GHG regulatory programs, is signed into law in its current form. The third peg, regional and state initiatives, got a major boost on December 16, 2010, as the California Air Resource Board approved rules for a cap-and-trade program that will begin in 2012.

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 2014 and 2017.

# 4.0 – OPERATIONS MANAGEMENT

**Management Highlights**

- During the month of January, there were no restricted work days or lost time accidents. The facility has now gone 109 days without an OSHA recordable accident and 109 consecutive days without a lost time reportable accident. There were four opacity deviations that occurred during a Unit 3 operation on January 24, 2011.

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

- McKee Run Unit 3 and Van Sant Unit 11 were dispatched by PJM for 19.3 hours and 7.4 hours, respectively for the month. These units also performed and passed capacity testing. McKee Run Units 1 and 2 were not dispatched for the month.

- Mechanical staff installed fire stop material in cable trays, around conduit piping and areas where fire rated walls have been penetrated.

- IC&E staff investigated and completed troubleshooting methods for two oil burner problems on Unit 3 boiler.

- Operations teams have been assisting the Maintenance Team in remodeling office areas in the main turbine building.

- Jeff Moore has been hired as a contracted employee to help the plant with shipping and billing during Boyd Lord's absence.

- Brian Hoyt has accepted a position with NAES Corporation-Dover as a Compliance Specialist. Brian lives in the Dover area, has prior environmental experience in water and air, and is scheduled to start work on February 14, 2011.

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

# NAES Corporation
## Dover, Delaware

## January 2011
## Monthly Report




**Air Compressors and Air Dryer Relocated to the Ground Floor**

## Table of Contents


**1.0 Environmental, Health and Safety**

**2.0 Financial**

**3.0 Operations**

**4.0 Maintenance**

**5.0 CIP**

**6.0 General Plant Information**

**7.0 Summary of NAES Performance**

## 1.0 Environmental, Health and Safety:

During the month of January, there were no restricted work days or lost time accidents. The facility has now gone 109 days without an OSHA recordable accident and 109 consecutive days without a lost time reportable accident. There were four opacity deviations that occurred during a Unit 3 operation on January 24, 2011. The events occurred while the unit was combusting fuel oil and increasing load (from minimum to full) by adding additional oil guns/burners.

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 (January) | Fiscal Year to Date (7/1/10-6/30/11) |
| NOVs | 0 | 0 |
| Opacity Deviations | 4 | 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 | 3 |
| Man Hours Worked | 3,057.50 | 81,506.25 |
| Date last OSHA Recordable | | 10/14/10 |
| Date last Lost Time Accident | | 10/14/10 |
| Days since last OSHA recordable | | 109 |
| Days since last Lost Time Accident | | 109 |

Emissions (NOx & SO2) All data thru 1/31/11

| 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) | 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 |
| 2010 | 0 | 73/47* | 5/3 | 119**/119** - 3/3 | 0/53# – 0/0 | -46/0 |
| 2011 | 0 | 71/46 | 5/3 | 1/0 – 1/0 | 0/0 - 0/0 | 70/46 |

Note *- State Reallocation for McKee Run 2 tons Year 2009, 2 tons Ozone Season 2009 and 1 ton Ozone Season 2010.

Note ** - The 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. They are also investigating another option with the EPA that could reduce the emissions further. As of December 31, 2010, the EPA has informed NAES that they will review the petition once they reconvene in January 2011.

Note# - 53 tons were purchased to help compensate for the shortage in seasonal NOx allowances.

| $SO_2$ 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 1/31/2011**

| $SO_2$ 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 | 2.3 | 1986 |

**Note: Data is as of 1/31/2011**

| 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 –January 2011 | | | |
|---|---|---|---|
| | Actual | Budget | Variance |
| Personnel | 251,497 | 254,151 | 2,654 |
| Materials & Supplies | 6,683 | 19,950 | 13,627 |
| Administrative Expenses | 79,027 | 207,706 | 128,679 |
| Total | **$337,207** | **$481,807** | **$144,600** |

**Financial – Fiscal Year to Date**

| Number of Months - 7 | | | |
|---|---|---|---|
| | Actual | Budget | Variance |
| Personnel | 1,787,933 | 1,799,640 | 11,707 |
| Materials & Supplies | 180,726 | 113,520 | (67,206) |
| Administrative Expenses | 1,478,966 | 1,239,175 | (239,791) |
| Total | **$3,447,624** | **$3,152,335** | **($295,289)** |

## 2.1 Variance analysis:

The original budget for January was $481,807. The actual expenses for January were $337,207 for a favorable variance of $144,600 or approximately 30.0%. The variance was due to the following:

**PERSONNEL EXPENSES –** A favorable variance of $2,654 was due to lower labor burdens and slightly lower labor costs during the month.

**MATERIALS AND SUPPLIES EXPENSES –** A favorable variance of $13,627 was realized due to lower spending in Janitorial Supplies, Security/Safety Materials, Medical Supplies, Computer Software and Water/Sewer.

**ADMINISTRATIVE EXPENSES** - Lower than budgeted expenses in Electric, Heating Oil/Gas, Training/Conferences/Food, Contractual Services, Right of Ways/Permits, Environmental Expenses, and Other Equipment/Maintenance contributed to a favorable variance of $128,679. Timing of Electric bills and Rights of Ways/Permit Fees were a large contributor to the variance amount.

The variance in the YTD Electric account is due to the increased run time in July, which due to plant equipment configuration change (running auxiliaries off the Unit 3 Start-up Transformer) caused a significant increase in the monthly ratcheting demand charge. Boiler Systems incurred an unfavorable variance due to unexpected costs associated with Unit 3 Boiler tube leak repairs.

The budget is currently forecast to finish this fiscal year at $6,044,105 expensed versus $5,689,315 budgeted thereby realizing a 106.24% expenditure rate. The high expenditure rate is due primarily to increased unit operation time which to a large scale directly led to an increase in electric and water costs over the original budget. In addition, operational limits created a need

for alternate auxiliary power sources that resulted in a higher demand charge for electricity which will continue throughout the rest of the fiscal year and into the next fiscal year.

## 3.0 Operations

### Unit Operations / Outages / Trips

During the month of January, Unit 3 was dispatched by PJM on January 24th in which it operated for 19.3 hours. Unit 3 was operated on oil most of the day then switched to main gas to complete the winter capacity test. The two hour average for the successful capacity test was 105.61 MWs. Units 1 and 2 were not dispatched for the month of January. Unit 11 was dispatched by PJM twice where it operated for 7.417 hours on oil. Unit 11 successfully completed the winter capacity test with a one hour average of 43.83 MWs. Units 1 and 2 were not dispatched for the month of January.

| Month – January 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 | 19.300 | 19.300 | 7.417 | 26.717 |
| Starts | # | 0 | 0 | 1 | 1 | 2 | 3 |
| Gross Generation | MWh | 0.0 | 0.0 | 1,056.826 | 1,056.826 | 300.787 | 1,357.613 |
| Net Generation | MWh | 0.0 | 0.0 | 969.208 | 969.208 | 300.519 | 1,269.727 |
| Total Auxiliaries | MWh | 35.919 | 35.919 | 233.741 | 305.579 | 8.775 | 314.354 |
| Auxiliaries purchased | MWh | 35.919 | 35.919 | 146.123 | 217.961 | 8.507 | 226.468 |
| Fuel Gas Used | MMBTU | 0.0 | 0.0 | 6,755.386 | 6,755.386 | 0.0 | 6,755.386 |
| Fuel Oil Used | MMBTU | 0.0 | 0.0 | 5,232.402 | 5,232.402 | 3,654.175 | 8,887.025 |
| Fuel Oil Used | Gallons | 0.0 | 0.0 | 37,631 | 37,631 | 26,403 | 64,034 |
| Total Fuel | MMBTU | 0.0 | 0.0 | 11,988.237 | 11,988.237 | 3,654.175 | 15,642.412 |
| Net Heat Rate | BTU/KWh | 0.0 | 0.0 | 12,344 | 12,344 | 12,160 | 12,252 |
| Unit Trips | # | 0 | 0 | 0 | 0 | 0 | 0 |
| Capacity Factor | % | 0.0 | 0.0 | 1.28 | 0.96 | 1.01 | 0.97 |
| Availability Factor | % | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Commercial Unavailability (CU) | % | 0 | 0 | 0 | 0 | 0 | 0 |
| Planned Outage Hours | Hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance Outage Hours | Hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Forced Outage Hours | Hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Reserve Shutdown Hours | Hours | 744.00 | 744.00 | 724.700 | 2,212.700 | 736.583 | 2,949.283 |
| HW Boiler Gas Usage | MMBTU | | | | 1,349.040 | | 1,349.040 |
| 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 (7 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 | 137.044 | 924.299 |
| Starts | # | 1 | 3 | 44 | 48 | 26 | 74 |
| 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 | 227.866 | 295.328 | 4,961.881 | 5,485.075 | 27.925 | 5,513.000 |
| Auxiliaries purchased | MWh | 220.351 | 220.351 | 2,364.536 | 2,805.238 | 25.229 | 2,830.467 |
| Fuel Gas Used | MMBTU | 2,183.250 | 15,245.850 | 452,018.837 | 469,447.937 | 53,766.951 | 523,214.887 |
| 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 | 61,146.344 | 548,315.542 |
| Net Heat Rate | BTU/KWh | 14,841 | 13,355 | 11,696 | 13,297 | 13,192 | 13,245 |
| Unit Trips | # | 1 | 0 | 3 | 4 | 2 | 6 |
| Capacity Factor | % | 0.17 | 1.30 | 8.00 | 6.19 | 2.30 | 5.11 |
| Availability Factor | % | 63.06 | 74.30 | 74.18 | 70.51 | 100.00 | 77.88 |
| Commercial Unavailability (CU) | % | 6.6 | 0 | 0.03* | 0.85 | 0 | 0.66 |
| Planned Outage Hours | Hours | 1,326.500 | 1,326.500 | 1,326.500 | 3,979.500 | 0.0 | 3,979.500 |
| Maintenance Outage Hours | Hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Forced Outage Hours | Hours | 579.830 | 0 | 6.317 | 586.15 | 0 | 586.15 |
| Reserve Shutdown Hours | Hours | 3,254.670 | 3,705.534 | 3,254.143 | 10,214.347 | 5,023.956 | 15,238.303 |
| HW Boiler Gas Usage | MMBTU | | | | 2,935.146 | | 2,935.146 |
| 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 |

Note: * depicts a unit that has not completed capacity test for the PJM Winter Capacity Demonstration Period in FY 2010-2011. All units are in the PJM Winter Exemption Program.

| 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) | 452,525 | 442,388 | 28,739 | (10,137) | 448,556 | 111,362* | (6,168) |
| Van Sant (#2 Fuel Oil) | 140,065 | 113,097 | 0 | (26,968) | 143,099 | 0 | (30,002) |

Note: As measured by tank level instruments. Tank levels may change due to oil temperature.
Note: * Oil purchases were made in October, 2010 for #2 oil to replenish oil stocks used during testing of Unit 3 during the summer period and in January 2011, 28,739 gallons of oil were purchased due to Unit 3 operational run. Fuel oil purchase is expected to be made in February to replace fuel burned at VanSant in January 2011.

| Van Sant Lifetime through 11/31/11 | | | |
|---|---|---|---|
| | Actual Starts | Factored Starts | Fired Hours |
| Van Sant | 1242 | 2153.65 | 4109.26 |
| Since HGP - Dec 2004 | 191 | 485.95 | 725.68 |

**Team Report:**

On January 23, the Operations team accomplished a successful capacity test on Unit 11 and on the following day completed a successful capacity test on Unit 3. Unit 3 achieved a net of 105.61 MWs and VanSant achieved a net of 43.83 MWs. PJM dispatched both units for the day.

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.

Operations teams have been assisting the Maintenance Team in remodeling office areas in the main turbine building. The areas will now be used as an office for the Compliance Specialist and the Materials Coordinator within the main plant.

## 4.0 Maintenance

During the month of January, plant maintenance staff continued addressing the backlog of work orders. There were fifty-three work orders issued with sixty work orders being completed during the month.

The table below summarizes the monthly work order activities.

| Work Order Report | | | | |
|---|---|---|---|---|
| January - 7 | | | | |
| Priority # | Outstanding From Previous Months | Issued This Month | Completed This Month | Outstanding at the end of the month |
| 1 | 5 | 2 | 3 | 4 |
| 2 | 20 | 7 | 8 | 19 |
| 3 | 38 | 9 | 10 | 37 |
| 4 | 50 | 0 | 8 | 42 |
| 5 | 15 | 3 | 0 | 18 |
| SW1 | 0 | 0 | 0 | 0 |
| SW2 | 0 | 0 | 0 | 0 |
| SW3 | 0 | 0 | 0 | 0 |
| SW4 | 0 | 0 | 0 | 0 |
| SW5 | 0 | 0 | 0 | 0 |
| PM | 57 | 32 | 31 | 58 |
| Totals | 185 | 53 | 60 | 178 |
| Note: PM's are included in the priority totals | | | | |

Notable activities during the month include:

1) Mechanical staff installed fire stop material in cable trays, around conduit piping and areas where fire rated walls have been penetrated. Sealing these areas in and around the Net 90 computer room completes phase one of this project. Due to fire proof material shelf life and cost this project must be completed in several phases.

2) Maintenance staff installed cement caulking around the indoor caustic tank pedestals due to cracking and spalling of the old material. Third party inspection of the smaller tanks at the generating stations identified these areas in their report as deficient and needed corrective action to be taken.

3) IC&E staff investigated and completed troubleshooting methods for two oil burner problems on Unit 3 boiler. During the most recent cold spell, the unit was called into service and while loading the unit, two oil burners failed to light off. Burner A-1 was found to have a bad flame scanner (oil). The scanner was removed and replaced. The

burner was tested and remained in service. B-3 burner was found to have a bad fuse in the net 90 cabinet circuit board which prevented the burner from being put into service.

## 5.0 Capital Improvement Projects (CIP)

| Project Number | Description | Update |
|---|---|---|
| EG1101 | Unit 3 Cooling Tower Life Extension | Progress: All electrical equipment and mechanical equipment was tested and checked out for vibration. This work was completed on November 21.<br>Schedule: No other work is planned for this project during the remainder of the fiscal year. |
| EG1102 | Units 1 & 2 Cooling Tower Life Extension | Progress: Work scope to replace the lower decking has been completed and we are in the process of going out for bids to be completed in the Spring 2011 Outage.<br>Schedule: Pre-bid meeting and bids are due by the middle of February 2011. |
| EG1103 | Unit 3 Turbine Inspection | Progress: Started on the development of the project work scope documents.<br>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.<br>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.<br>Schedule: The funding is in place. Some funds have been used to cover the cost of the Unit 3 600-lb steam station valve repairs,<br>Unit 3 Cooling Water Booster Pump Repairs and circuit breakers for the power distribution system. |
| EG1106 | Unit 3 Stack Repairs | Progress: Started on the development of the project work scope document.<br>Schedule: Deferred until 2011-2012 fiscal year. |
| EG1107 | Units 1 & 2 Life Extension | Progress: Work scopes have been developed, bid meeting has been held and bids have been received. Bids are now being evaluated and clarified. Expect to award bid to be awarded in mid-February.<br>Schedule: Scheduled for the Spring Outage 2011. 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.<br>Schedule: This work is complete. |
| EG1109 | Unit 3 FD & ID Fan Damper Upgrade | Progress: Started on the development of the project work scope documents.<br>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.<br>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<br>Schedule: Miscellaneous work is being wrapped up to complete the project. |
| EG1112 | Unit 3 Air Heater Expansion Joint | Progress: Task statements and invitations to bid have been sent out. Bid meetings set up for early February. Expansion joint is on order and is expected to be delivered in February 2011.<br>Schedule: This is scheduled for the Spring Outage 2011. |
| 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.<br>Schedule: This is scheduled for the Spring Outage 2011. |
| EG1114 | Unit 3 Gas Line Modifications | Progress: Task statements and invitations to bid have been sent out. Bid meetings set up for early February. Gas valves and other parts have been ordered but not yet received.<br>Schedule: This is scheduled for the Spring Outage 2011. |

## 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 | 110 |
| EG1103 | Unit 3 Turbine Inspection | 348 | 348 |
| EG1104 | Unit 3 Aux System Components | 188 | 188 |
| EG1105 | Miscellaneous Capital Equipment Replacements | 71 | 77 |
| EG1106 | Unit 3 Stack Repairs | 25 | 25 |
| EG1107 | Units 1 & 2 Life Extension | 180 | 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 | 175## | 112 |
| EG1112 | Unit 3 Air Heater Expansion Joint | 65## | 65 |
| 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:

Teams continued training within the Plant Readiness Program (PRP) to keep their skills and knowledge of the plant up to date particularly when the generating units are off line or when they are not supporting maintenance activities. The GPI online training which supports our safety and environmental training are being used by the teams to complete their training as they begin the training cycle for the year 2011. GPI also has a number of courses that are used to support operator advancement and refresher training.

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.

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 Weather and Environmental Emergencies, Sabotage and Terrorism Emergencies, PJM Communications and All Call.

### Other Events:

Jeff Moore has been hired as a contracted employee to help the plant with shipping and billing during Boyd Lord's absence and to aid in the transition of the warehouse inventory into COD's HTE system. Jeff is a retired City of Dover warehouse worker who has good knowledge of the COD's HTE inventory system.

Brian Hoyt has accepted a position with NAES Corporation-Dover as a Compliance Specialist. Brian lives in the Dover area, has prior environmental experience in water and air, and is scheduled to start work on February 14.

| Calendar of Events | Date |
|---|---|
| Winter Capacity Period | December 1, 2010 to February 28, 2011 |
| McKee Run and VanSant Title V Annual Certification Due | February 1, 2011 |
| NOx Emissions Reconciliation Due | March 1, 2011 |
| SO2 Emissions Reconciliation Due | March 1, 2011 |
| SARA III Report | March 1, 2011 |
| Annual VanSant Black Start Test | March 2011 (Exact Date TBD) |
| Unit 11 Spring Outage | March 14, 2011 – March 28, 2011 |

| | |
|---|---|
| Units 1, 2, and 3 Spring Outage | March 28, 2011 – May 23, 3011 |
| Air Emission Inventory | April 1, 2011 |
| EIA-923 Report | April 15, 2011 |
| EIA-860 Report | May 15, 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 |
| #1 Unit Annual Inspection | October , 2011 |
| #2 Unit Annual Inspection | October , 2011 |

## 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 | Yes | Yes | Yes | $20,157 | $20,157 |
| Unit 11 | No | Yes | 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 Energy | $229,272.64 | ($1,570,438.47) | ($1,341,165.83) |
| Realtime Energy | $3,388.39 | ($5,652.64) | ($2,264.25) |
| Transmission Losses Credits | $0.00 | $91,035.43 | $91,035.43 |
| Network Integration Transmission Service Charges | $0.00 | ($265,765.79) | ($265,765.79) |
| Inadvertent Interchange Charges | $0.00 | ($2,114.42) | ($2,114.42) |
| Regulation Charges | $0.00 | ($20,269.08) | ($20,269.08) |
| Synchronized Reserve Charges | $0.00 | ($19,821.30) | ($19,821.30) |
| Balancing Operating Reserves Charges | ($601.22) | ($15,617.82) | ($16,219.04) |
| Day Ahead Operating Reserves Charges | $0.00 | ($11,132.19) | ($11,132.19) |
| Day-ahead Scheduling Reserve | $0.00 | ($127.37) | ($127.37) |
| Synchronous Condensing Charges | $0.00 | ($107.24) | ($107.24) |
| Reactive Services Charges | $0.00 | ($869.47) | ($869.47) |
| Meter Correction Charges | $0.00 | ($1,125.25) | ($1,125.25) |
| 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 | $39,619.69 | $0.00 | $39,619.69 |
| 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 | ($12,339.39) | ($12,339.39) |
| Transmission Owner Scheduling System Control and Dispatch Service Charges | $0.00 | ($4,914.91) | ($4,914.91) |
| Reactive Supply and Voltage Control from Generation Sources Service Charges | $0.00 | ($31,621.68) | ($31,621.68) |
| Reactive Supply Credit | $29,467.58 | $0.00 | $29,467.58 |
| Black Start Service Charges | $0.00 | ($1,203.49) | ($1,203.49) |
| North American Electric Reliability Corporation (NERC) Charge | $0.00 | ($575.51) | ($575.51) |
| Reliability First Corporation (RFC) Charges | $0.00 | ($873.16) | ($873.16) |
| 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 | $742.47 | $742.47 |

| | | | |
|---|---|---|---|
| Generation Deactivation | $0.00 | $741.04 | $741.04 |
| Market Monitoring Unit (MMU) Funding | $0.00 | ($275.30) | ($275.30) |
| Organization of PJM States, Inc. (OPSI) Funding | $0.00 | ($41.00) | ($41.00) |
| FERC Annual Recovery | $0.00 | ($3,724.23) | ($3,724.23) |
| PJM Annual Membership | $0.00 | $0.00 | $0.00 |
| EFOR-P | $0.00 | $0.00 | $0.00 |
| DPL Settlement B | $0.00 | $0.81 | $0.81 |
| PPA | $0.00 | $981.40 | $981.40 |
| | **$1,308,219.18** | **($2,938,359.22)** | **($1,630,140.04)** |

## 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 | | $83.56 | | | $91.20 | | |
| Mar | 56,334 | | $84.16 | | | $90.46 | | |
| 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.

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# City of Dover

# February Monthly Report

# Energy and Operations Management

## March 24, 2011

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This Report does contain some forward-looking opinions. Certain unanticipated factors could cause actual results to differ from the opinions contained herein. Forward-looking opinions are based on historical and/or current information that relate to future operations, strategies, financial results or other developments. Some of the unanticipated factors, among others, that could cause the actual results to differ include regulatory developments, technological changes, competitive conditions, new products, general economic conditions, changes in tax laws, adequacy of reserves, credit and other risks associated with City of Dover and/or other third parties, significant changes in interest rates and fluctuations in foreign currency exchange rates.

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

# TABLE OF CONTENTS

**1.0 – Executive Summary ..... 2**

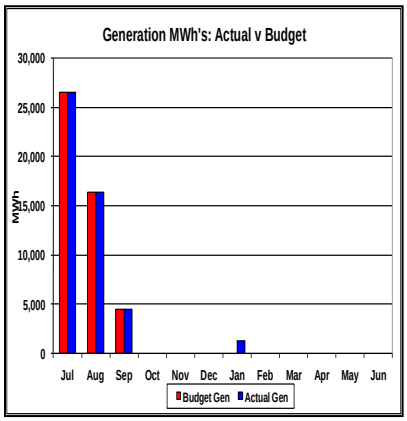
**2.0 – Budget Report ..... 5**
2.1 – Variance Report ..... 6
2.2 – Variance Analysis ..... 8

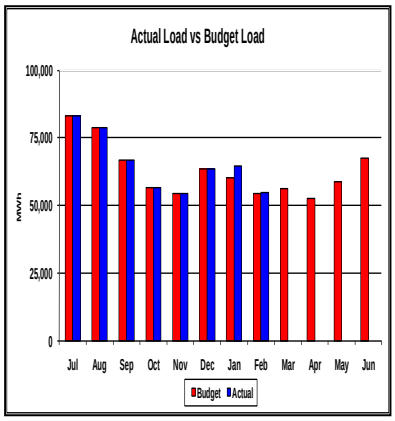
**3.0 – Energy management ..... 9**
3.1 – Purchased Power ..... 9
3.2 – Generation Management ..... 12
3.3 – Emissions and Allowance Management ..... 19

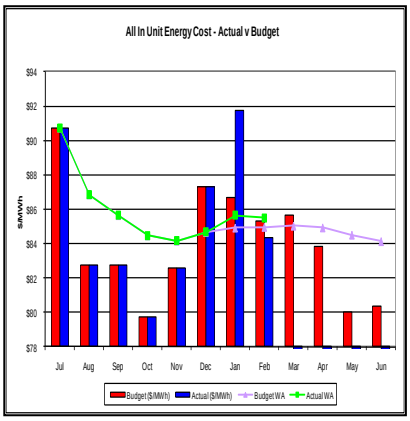
**4.0 – Operations Management ..... 24**

**Appendices ..... 40**
I. PJM Invoice Breakdown ..... 40
II. Load, All In Energy and all in cost of service table ..... 41
III. Glossary ..... 42

# 1.0 – EXECUTIVE SUMMARY




### *Purchased Power Management*

Wholesale load for the month of February was 54,900 MWhs, versus a weather normalized projected load of 54,199 MWhs. Hedged transactions accounted for 48,320 MWhs or 88% of this volume (89% of forecasted load) at a cost of $3.56 million. Spot Market purchases resulted in a PJM charge of $610 thousand (a $689 thousand charge in the Day Ahead market and a $79 thousand credit in the Real Time market). Other PJM related charges accounted for an additional cost of $1.25 million, inclusive of all load related fees. The February Energy Only Unit Cost, excluding capacity obligations and credits, was $0.95/MWh favorable compared to the budgeted value of $85.32/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 $1.65/MWh favorable as compared to the Reset Budget[1].

### *Generation and Asset Management*

For the month of February 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 budget did not project generation for this month.

### *Emissions 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

[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.

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 February 28, 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 | | |
| 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 $51,747 at the time of this report. This represents 3,189

pre-CAIR $SO_2$ allowances trading at $7/ton, 3,976 post-CAIR $SO_2$ allowances trading at $4/ton, 52 $NO_x$ annual allowances trading at $230/ton, and 52 $NO_x$ seasonal allowances trading at $30/ton.

| EMISSIONS & ALLOWANCE SUMMARY Through February 28, 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 February, there were no reportable or lost time accidents or injuries. The facility has now gone 137 days without an OSHA recordable accident and 137 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued. There was one near miss event related to a small oil leak at the fuel unloading area. 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 February were $428,092. The expenses were $361 or 0.08% over the approved budget of $427,731. The principal reason for the negative variance was higher than budgeted expenses in electric and boiler systems repairs, which were almost completely offset by lower expenses for materials and labor costs.

[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.

***Risk Management Summary***

Forward PJM power prices increased across the board since the last reporting period. The rise in prices was driven in the near term by recent higher than expected consumption and by global events (Libya, Japan) in the longer term. Forward Dover Zone power prices for FY 2010-11 increased by $0.71/MWh (an increase of 1.42%) since the last reporting period while FY 2011-2012, FY 2012-2013, FY 2013-2014, and FY 2014-2015 all increased by approximately $3.34/MWh to $3.91/MWh (representing a range of 6.54% increase and a 6.96% 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 3/17/2011 | **Budget** | | **March** | | **Feb** | **Jan** |
|---|---|---|---|---|---|---|
| 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 | $85.82 | 90% | -3.7% | $85.65 | $85.15 |
| **2011-2012** | N/A | $79.49 | 85% | -7.4% | $78.94 | $79.52 |
| **2012-2013** | N/A | $73.01 | 76% | -8.1% | $72.22 | $72.69 |
| **2013-2014** | N/A | $71.87 | 48% | -1.6% | $70.08 | $70.61 |
| **2014-2015** | N/A | $71.38 | 16% | -0.7% | $68.08 | $68.94 |

[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 proposed budget update*

# 2.0 – BUDGET REPORT

## 2.1 – VARIANCE REPORT

| | Budget Feb-11 | Actual Feb-11 | Variance Feb-11 |
|---|---|---|---|
| **Load Forecast** | **54,199** | **54,900** | **(701)** |
| | | | |
| **Power Supply** | | | |
| Power Supply | $3,604,252 | $3,560,200 | $44,052 |
| Power Supply Management | $184,719 | $181,671 | $3,048 |
| Capacity Charges - Load | $973,936 | $973,937 | ($1) |
| PJM Charges - Load | $835,383 | $890,303 | ($54,920) |
| **Total - Power Supply** | **$5,598,290** | **$5,606,111** | **($7,821)** |
| | | | |
| **Generation** | | | |
| Plant Operations | $433,731 | $428,092 | $5,639 |
| Generation Fuel | $0 | $0 | $0 |
| Capacity Credits | ($905,509) | ($905,509) | $0 |
| PJM Credits | ($34,012) | ($34,012) | $0 |
| **Total - Generation** | **($505,790)** | **($511,429)** | **$5,639** |
| | | | |
| **Emission Allowance Sales** | | | |
| **Total - Emission Allowance Sales** | **$8,250** | **$8,250** | **$0** |
| | | | |
| **Total Power Supply & Generation** | **$5,092,500** | **$5,094,682** | **($2,182)** |
| **Total Power Supply, Generation & Emission Sales** | **$5,100,750** | **$5,102,932** | **($2,182)** |
| | | | |
| **Unit Costs** | | | |
| Total – Power Supply | $103.29 | $102.11 | $1.18 |
| Total - Generation + Emission Sales | ($9.18) | ($9.17) | ($0.01) |
| **Final Cost of Service to City of Dover Ratepayers** | **$94.11** | **$92.95** | **$1.16** |

| | Budget YTD | Actual YTD | Variance YTD |
|---|---|---|---|
| **Load Forecast** | **517,448** | **522,476** | **(5,027)** |
| | | | |
| **Power Supply** | | | |
| Power Supply | $32,720,802 | $32,627,874 | $92,928 |
| Power Supply Management | $1,567,905 | $1,565,038 | $2,867 |
| Capacity Charges - Load | $8,450,330 | $8,450,331 | ($1) |
| PJM Charges - Load | $9,677,042 | $10,484,986 | ($807,943) |
| **Total - Power Supply** | **$52,416,080** | **$53,128,229** | **($712,149)** |
| | | | |
| **Generation** | | | |
| Plant Operations | $3,965,355 | $3,875,716 | $89,639 |
| Generation Fuel | $3,138,177 | $3,376,054 | ($237,877) |
| Capacity Credits | ($7,869,816) | ($7,869,816) | $0 |
| PJM Credits | ($5,346,555) | ($5,618,235) | $271,680 |
| **Total - Generation** | **($6,112,839)** | **($6,236,281)** | **$123,441** |
| | | | |
| **Emission Allowance Sales** | | | |
| **Total - Emission Allowance Sales** | **$11,695** | **$11,695** | **$0** |
| | | | |
| **Total Power Supply & Generation** | **$46,303,240** | **$46,891,948** | **($588,708)** |
| **Total Power Supply, Generation & Emission Sales** | **$46,314,935** | **$46,903,643** | **($588,708)** |
| | | | |
| **Unit Costs** | | | |
| Total – Power Supply | $101.30 | $101.69 | ($0.39) |
| Total - Generation + Emission Sales | ($11.79) | ($11.91) | $0.12 |
| **Final Cost of Service to City of Dover Ratepayers** | **$89.51** | **$89.77** | **($0.27)** |

## 2.2 – VARIANCE ANALYSIS

Power Supply

- Power Supply realized a favorable $44 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 $55 thousand variance relative to the monthly budget. This variance was driven by Dover's open position, which was 12% 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 $98 thousand greater than budget. Additional factors contributing to the unfavorable variance included i) a $165 thousand unfavorable variance in Basis costs and ii) a $9 thousand unfavorable variance in Transmission Rights Credits. Offsetting these unfavorable variances were a $215 thousand favorable variance in Load Following and a $6 thousand favorable variance in PJM Ancillary charges.

- For the month the City realized an $11 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 $57 thousand variance, and the change in price resulted in a favorable $46 thousand variance. Hence, all of the unfavorable variance can be attributed to volume changes.

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

Generation

- Plant O&M reported a favorable variance of $5 thousand compared to the monthly O&M reset Budget of $434 thousand ($361 unfavorable variance compared to the original budget of $428 thousand). Lower than projected materials and supply costs partially created the favorable variance.

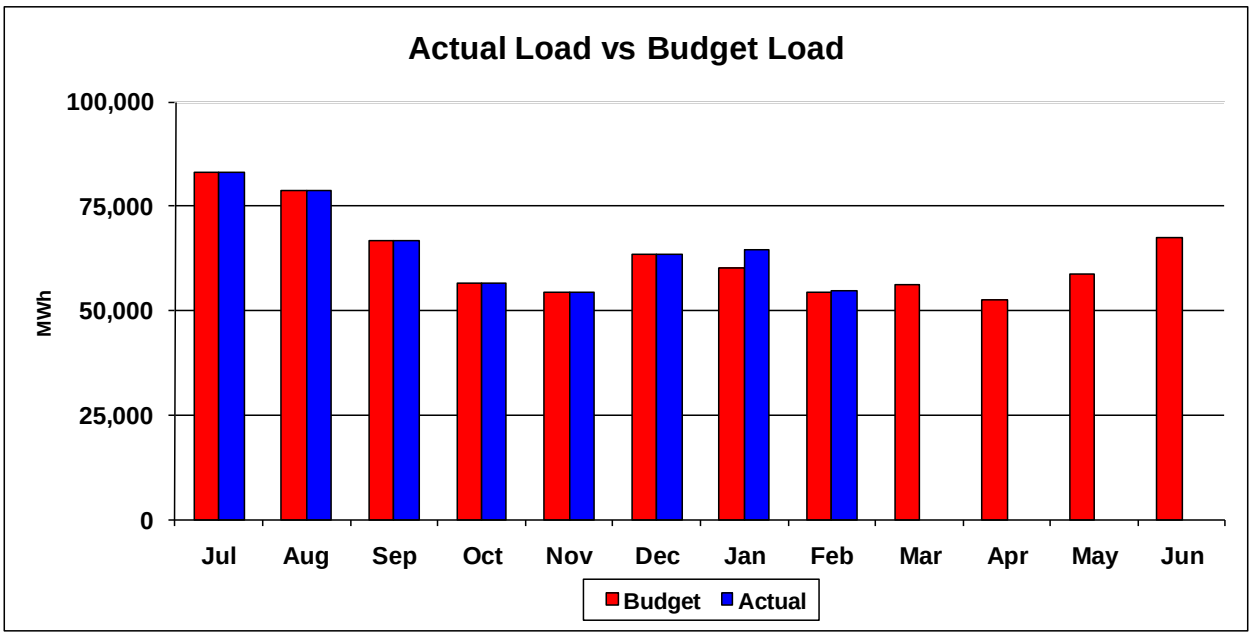
# 3.0 – ENERGY MANAGEMENT

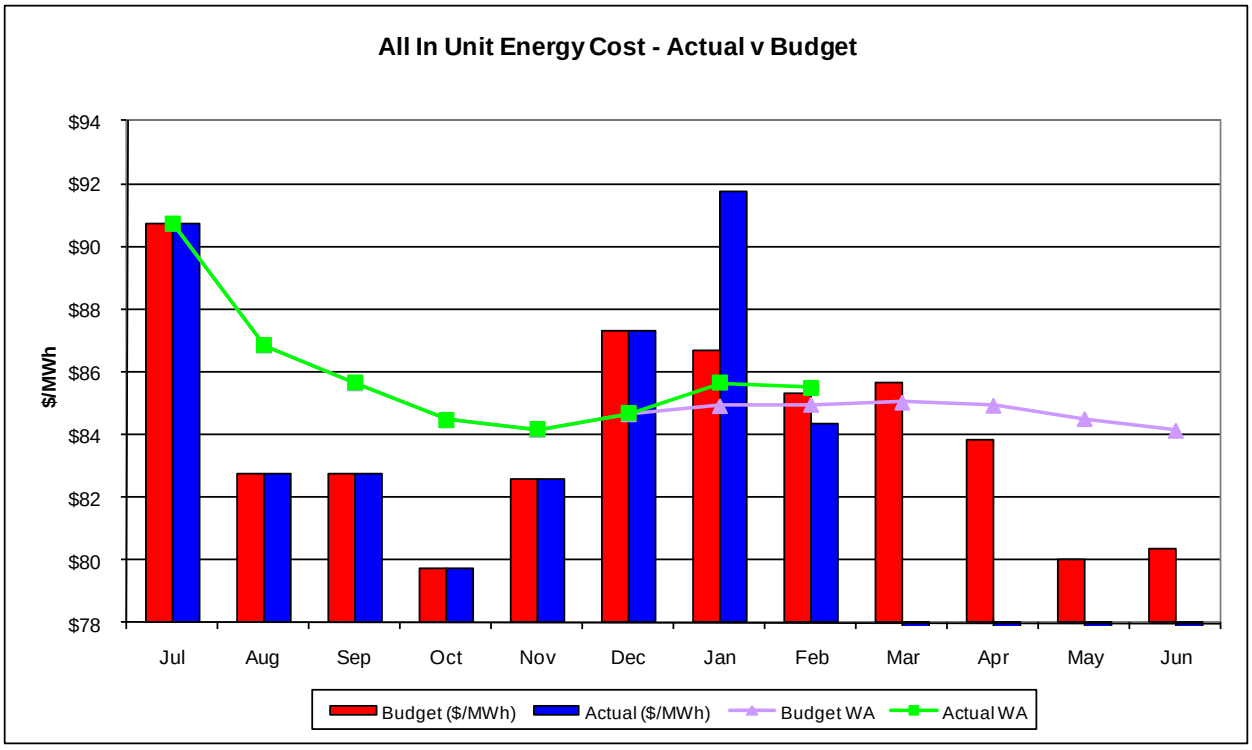
## 3.1 – PURCHASED POWER

Management Highlights

- Dover's February load was 54,900 MWh, which was 1.3% above the weather normalized load of 54,199 MWh. Hedge volumes accounted for 88% of actual load for the month.

- The February All In Unit Energy cost (excluding capacity) of $84.37 per MWh is $0.95 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 Feb-11 | Actual Feb-11 | Variance Feb-11 |
|---|---|---|---|
| **City of Dover Load** | | | |
| Load Obligation (MWh) | 54,199 | 54,900 | (701) |
| | | | |
| **Unit Energy Costs ($ per MWh)** | | | |
| Energy Cost (inc. Load Following & Pace Fees) | $78.19 | $77.30 | $0.89 |
| Pass Through | $6.20 | $6.16 | $0.04 |
| Incentive Fees | $0.93 | $0.91 | $0.02 |
| **Total - All In Unit Energy Cost** | **$85.32** | **$84.37** | **$0.95** |

## Purchased Power Variance Analysis

- The actual Dover load of 54,900 MWh was 1.3% above the projected February load of 54,199 MWh.

- The All In Unit Energy Cost was $0.95 per MWh lower than budget due to a decreased load following charges and a favorable PJM ancillary charges. Offsetting these positive variances were due an increased open volume purchases, increased energy costs, an unfavorable basis variance 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

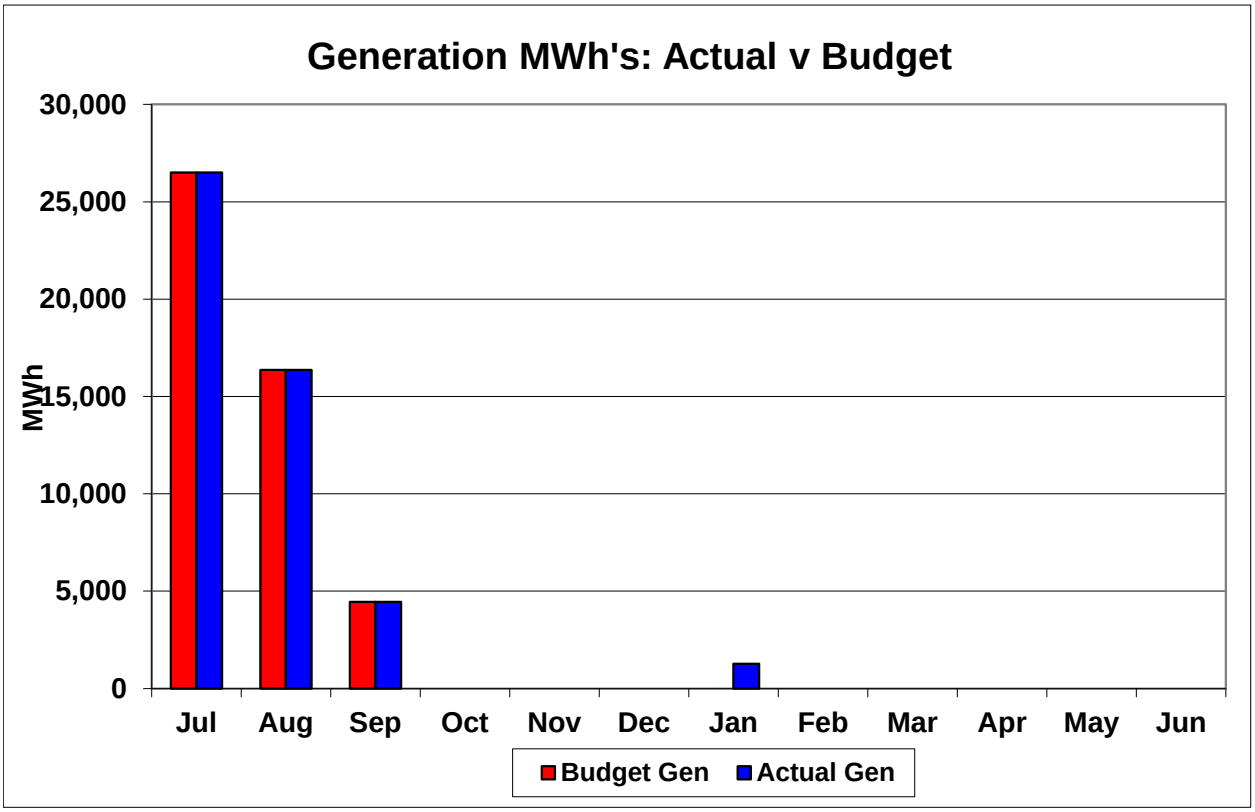
| | |
|---|---|
| Purchased Power (Hedges): 48,320 MWhs @ $73.68/MWh: | $3,560,200 |
| Power Balancing; Additional PJM, and Energy Manager Fee[3]: | $2,045,911 |
| Total Cost to Serve Load (54,900 MWhs) | $5,606,111 |

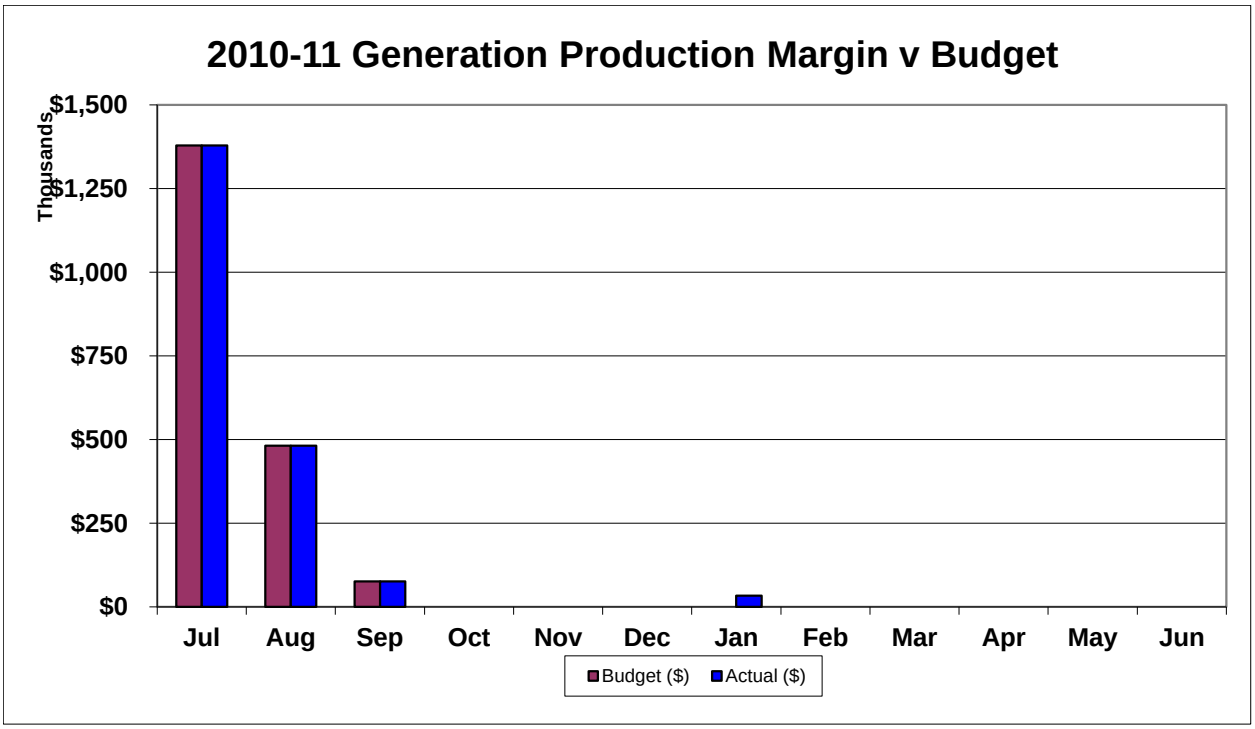
**All In $/MWh load cost inclusive of Energy Management Fees: $102.11/MWh**

[3] Includes estimated Incentive Fees.

## 3.2 – GENERATION MANAGEMENT

- During the month, PJM did not dispatch Dover's units into the market. The budget did not expect any generation for the 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 Feb-11 | Actual Feb-11 | Variance Feb-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** | **($34,028.89)** | **$34,028.89** |
| | | | |
| **Generation Capacity Payment** | | | |
| **Total - Generation Capacity Payment** | **($905,509)** | **($905,509)** | **$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<br>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 were 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.

Due to a low fuel inventory level at McKee Run and Van Sant, Pace procured a quantity of fuel oil sufficient to bring the City of Dover's inventory into compliance with approved levels. This procurement resulted in three transactions with Hess for a total of 35,500 gallons of no. 2 fuel oil. These purchases were completed in late January, with fuel delivers occurring on February 2011.

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

| ***Tank Inventory Estimates as of February 28*** | | | |
|---|---|---|---|
| Tank | Tank Capacity (gallon) | Inventory In (gallon) | Days of Burn (Typical Dispatch[4]) |
| **McKee Run** (#2 Fuel Oil) | 2,554,105 | 449,438 | 3 |
| **Van Sant** (#2 Fuel Oil) | 258,000 | 150,852 | 3 |

| *February 2011 Fuel Oil Purchases* | | | | |
|---|---|---|---|---|
| Date | Vendor | #2 Oil gal | Price ($/gal) | Total Cost |
| 26-Jan | Hess | 14,200 | $2.9107 | $41,332.47 |
| 31-Jan | Hess | 14,200 | $2.9107 | $41,332.47 |
| 01-Feb | Hess | 7,100 | $2.9107 | $20,666.23 |
| **Total** | | **35,500** | **$2.9107** | **$103,331.17** |

[4] 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).

**Exhibit 1: Emissions and Allowance Summary through February 28, 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.

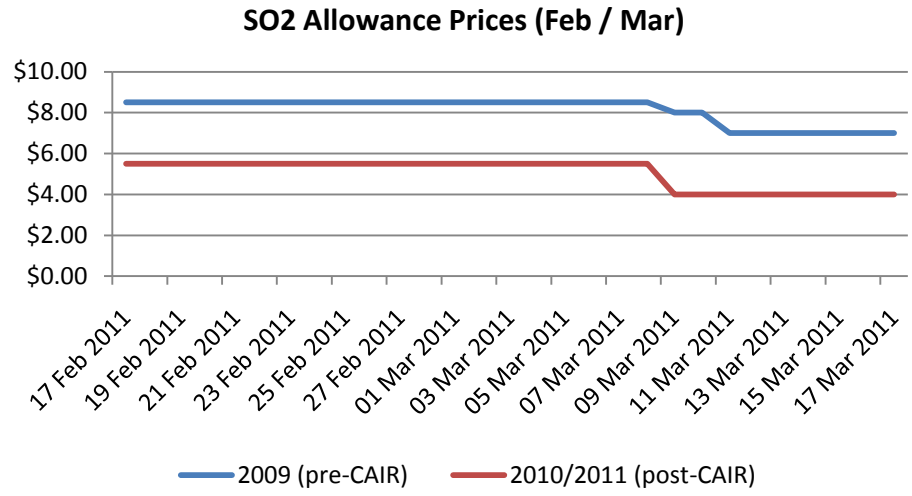
(3) CAIR allowances are retired at a rate of 2 allowances for each ton emitted. Pre-CAIR allowances retain a 1 allowance to 1 ton value for compliance. It is assumed that pre-CAIR allowances will be retired before CAIR allowances.

Given current dispatch expectations, the market value of the remaining 2007-2011 Dover allowance inventory is approximately $51,747 at the time of this report. This represents 3,189 pre-CAIR $SO_2$ allowances trading at $7/ton, 3,976 post-CAIR $SO_2$ allowances trading at $4/ton, 52 $NO_x$ annual allowances trading at $230/ton, and 52 $NO_x$ seasonal allowances trading at $30/ton.

## $SO_2$

There has been very little movement in $SO_2$ allowance prices as market participants await final rules reforming the markets (see Figure 1 – SO2 Prices since Last Monthly Report).

**Figure 1 – $SO_2$ Prices since Last Monthly Report**




## $NO_x$

$NO_X$ annual allowance prices have experienced a steep decline over the last month losing nearly 1/3rd of their value (See Figure 2 – NOX annual prices since last monthly report.) The compliance date for units retiring allowances was March 1st which partially explains the drop in allowance prices. Most buyers / compliance entities met their demand on or prior to March 1, causing a post "true-up" fall in market prices. The other factor placing downward pressure on allowance prices is the current scheduled start of the Clean Air Transport Rule (Transport Rule) which, based on the proposed rule, is scheduled to begin in 2012. It is uncertain whether existing $NO_X$ annual allowances would be eligible to carry over into the Transport Rule for compliance.

$NO_X$ seasonal prices ticked up $5/ton trading most recently at $30/ton (See Figure 3 – NOX seasonal prices since last monthly report.)

**Figure 2 – $NO_X$ annual prices since last monthly report**

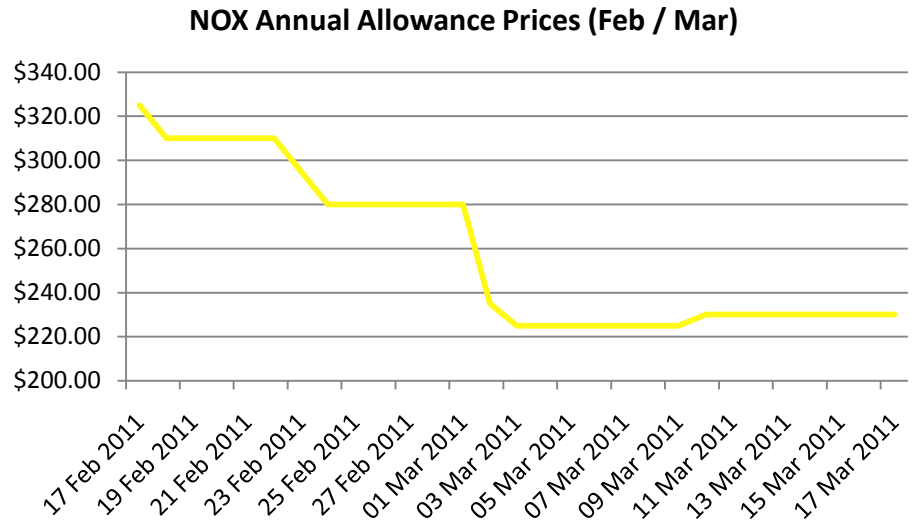
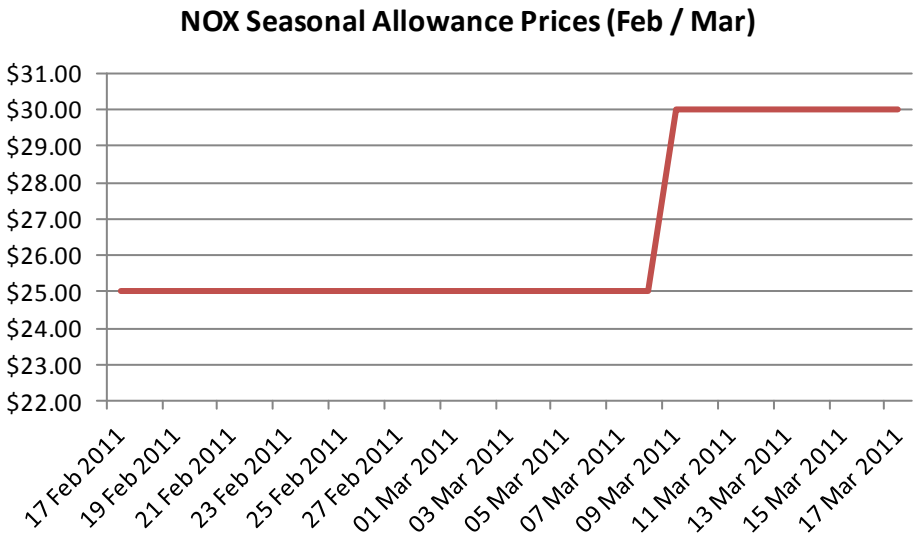



**Figure 3 – $NO_X$ seasonal prices since last monthly report**




## $SO_2$ and NOx Outlook

The $SO_2$ and $NO_X$ markets continue to be defined by regulatory uncertainty. Market participants await the release of the final Transport Rule for guidance. Unfortunately, the release of the final rule may only further confuse the market. The proposed rules would place caps at the state level allowing only limited opportunity to trade allowances across state borders. Interstate trading

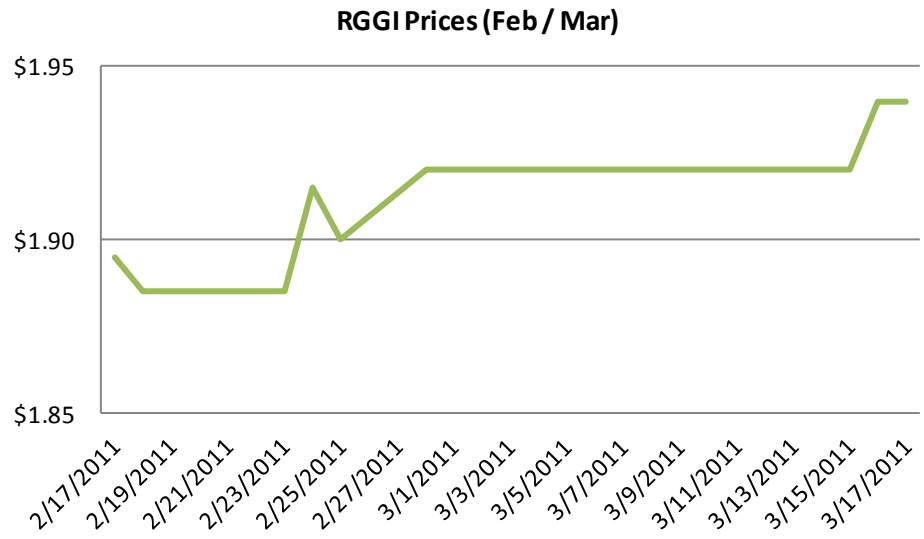
would be severely limited by strict state caps that only permit incremental variability. If the final rule utilizes a similar approach, there may a push from Congress to step in and draft legislation.

Senator Carper (D-Delaware) continues to champion a bill that would keep CAIR in place until 2012, and then tighten emissions caps in later years.

## RGGI and Federal Carbon Outlook

RGGI allowance prices continue to flounder around the statutory floor price of $1.86/ton. RGGI is substantially over supplied and as a result allowances prices have remained extremely low (see Figure 4 – RGGI Allowance Prices).

**Figure 4 – RGGI Allowance Prices**




The conversion potential of RGGI allowances into federal allowance volume in a national carbon market remains the main support for RGGI pricing. However, with major uncertainty surrounding the ultimate ability to pass legislation in the near-term, RGGI allowance prices continue to remain very low. 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 $291,000. 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. It appears at this time that attempts to cut EPA's regulatory funding for GHG programs in the FY 2011 federal budget will be unsuccessful; however there are bills in both the House and Senate to permanently repeal their authority. While President Obama has consistently stated that he will veto any bill negating EPA's GHG regulatory authority, the attempts add another layer of uncertainty to the future of GHG regulations.

# 4.0 – OPERATIONS MANAGEMENT

**Management Highlights**

- During the month of February, there were no restricted work days or lost time accidents. The facility has now gone 137 days without an OSHA recordable accident and 137 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 February.

- There was one Near Miss reported for the month. An operator found a small oil leak of approximately one quart around the fuel oil unloading station after oil truck deliveries were completed. The affected area was promptly cleared of the oil-saturated soil which was then made ready for proper disposal.

- The Maintenance and IC&E Staff, with assistance from the Operations Teams, completed a total renovation of an office located near the maintenance shop area.

- Maintenance and IC&E Staff completed the removal and re-installation of the two air compressors and other air system components.

- IC&E Staff completed two work orders for repairs at units 1 and 2 cooling tower.

- Brian Hoyt started work on February 14 with NAES Corporation-Dover as a Compliance Specialist.

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

# NAES Corporation
## Dover, Delaware

## February 2011
## Monthly Report




**A Warm Welcome to the Newest Addition to the Plant Staff, Brian Hoyt, Compliance Specialist!**

PACE GLOBAL

# Table of Contents


**1.0 Environmental, Health and Safety**

**2.0 Financial**

**3.0 Operations**

**4.0 Maintenance**

**5.0 CIP**

**6.0 General Plant Information**

**7.0 Summary of NAES Performance**

## 1.0 Environmental, Health and Safety:

During the month of February, there were no restricted work days or lost time accidents. The facility has now gone 137 days without an OSHA recordable accident and 137 consecutive days without a lost time reportable accident.

There was one Near Miss reported for the month. An operator found a small oil leak of approximately one quart around the fuel oil unloading station after oil truck deliveries were completed. It was determined that the oil leaked from the hose the truck driver used. The affected area was promptly cleared of the oil-saturated soil which was then made ready for proper disposal. The existing procedure was updated to reflect additional precautions that need to be taken to ensure this type of incident does not occur again.

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 (February) | 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 | 1 | 4 |
| Man Hours Worked | 4,413 | 85,919.25 |
| Date last OSHA Recordable | | 10/14/10 |
| Date last Lost Time Accident | | 10/14/10 |
| Days since last OSHA recordable | | 137 |
| Days since last Lost Time Accident | | 137 |

Emissions (NOx & SO2) All data thru 2/28/11

| 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)** | **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 |
| 2010 | 0 | 73/47* | 5/3 | 119**/119** - 3/3 | 22##/53# – 0/0 | -46/0 |
| 2011 | 0 | 71/48### | 5/3 | 1/0 – 1/0 | 0/0 - 0/0 | 70/48### |

**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 2/28/2011**

| $SO_2$ 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 2/28/2011**

| 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 –February 2011 | | | |
|---|---|---|---|
| | Actual | Budget | Variance |
| Personnel | 242,290 | 249,376 | 7,086 |
| Materials & Supplies | 14,438 | 18,350 | 3,912 |
| Administrative Expenses | 171,364 | 160,005 | (11,359) |
| Total | **$428,092** | **$427,731** | **($361)** |

**Financial – Fiscal Year to Date**

| Number of Months - 8 | | | |
|---|---|---|---|
| | Actual | Budget | Variance |
| Personnel | 2,030,223 | 2,046,516 | 16,293 |
| Materials & Supplies | 195,163 | 131,870 | (63,293) |
| Administrative Expenses | 1,650,330 | 1,399,179 | (251,148) |
| Total | **$3,875,716** | **$3,580,065** | **($298,148)** |

## 2.1 Variance analysis:

The original budget for February was $427,731. The actual expenses for February were $428,092 for an unfavorable variance of $361 or approximately .08%. The variance was due to the following:

**PERSONNEL EXPENSES –** A favorable variance of $7,086 was due to lower labor burdens and slightly lower labor costs during the month.

**MATERIALS AND SUPPLIES EXPENSES –** A favorable variance of $3,912 was realized due to lower spending in Computer Software, Computer Hardware and Water/Sewer.

**ADMINISTRATIVE EXPENSES** - Higher than budgeted expenses in Electric, Auxiliary Equipment, and Boiler Systems contributed to an unfavorable variance of $11,359.
The variance in the YTD Electric account is due to the increased run time in July, which due to plant equipment configuration change (running auxiliaries off the Unit 3 Start-up Transformer) caused a significant increase in the monthly ratcheting demand charge. Boiler Systems incurred an unfavorable variance due to unexpected costs associated with Unit 3 Boiler tube leak repairs. As of February 28, the budget had not been reset by the City of Dover to compensate the plant for the additional operational expenses.

The budget is currently forecast to finish this fiscal year at $6,099,467 expensed versus $5,694,315 budgeted thereby realizing a 107.12% expenditure rate.

## 3.0 Operations

### Unit Operations / Outages / Trips

No units were dispatched by PJM for the month of February.

| Month – February 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 | 29.448 | 29.448 | 142.070 | 200.965 | 6.045 | 207.010 |
| Auxiliaries purchased | MWh | 29.448 | 29.448 | 142.070 | 200.965 | 6.045 | 207.010 |
| Fuel Gas Used | MMBTU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fuel Oil Used | MMBTU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fuel Oil Used | Gallons | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Fuel | MMBTU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Heat Rate | BTU/KWh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unit Trips | # | 0 | 0 | 0 | 0 | 0 | 0 |
| Capacity Factor | % | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Availability Factor | % | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Commercial Unavailability (CU) | % | 0 | 0 | 0 | 0 | 0 | 0 |
| Planned Outage Hours | Hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Maintenance Outage Hours | Hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Forced Outage Hours | Hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Reserve Shutdown Hours | Hours | 672.000 | 672.000 | 672.000 | 2,016.000 | 672.000 | 2,688.000 |
| HW Boiler Gas Usage | MMBTU | | | | 1,109.160 | | 1,109.160 |
| 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 (8 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 | 137.044 | 924.299 |
| Starts | # | 1 | 3 | 44 | 48 | 26 | 74 |
| 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 | 257.314 | 324.776 | 5,103.951 | 5,686.040 | 33.970 | 5,720.010 |
| Auxiliaries purchased | MWh | 249.799 | 249.799 | 2,506.606 | 3,006.203 | 31.274 | 3,037.927 |
| Fuel Gas Used | MMBTU | 2,183.250 | 15,245.850 | 452,018.837 | 469,447.937 | 53,766.951 | 523,214.887 |
| 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 | 61,146.344 | 548,315.542 |
| Net Heat Rate | BTU/KWh | 14,841 | 13,355 | 11,696 | 13,297 | 13,192 | 13,245 |
| Unit Trips | # | 1 | 0 | 3 | 4 | 2 | 6 |
| Capacity Factor | % | 0.15 | 1.15 | 7.08 | 5.47 | 2.04 | 4.52 |
| Availability Factor | % | 67.32 | 77.26 | 77.15 | 73.91 | 100.00 | 80.43 |
| Commercial Unavailability (CU) | % | 6.6 | 0 | 0.03* | 0.85 | 0 | 0.66 |
| Planned Outage Hours | Hours | 1,326.500 | 1,326.500 | 1,326.500 | 3,979.500 | 0.0 | 3,979.500 |
| Maintenance Outage Hours | Hours | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Forced Outage Hours | Hours | 579.830 | 0 | 6.317 | 586.15 | 0 | 586.15 |
| Reserve Shutdown Hours | Hours | 3,926.670 | 4,377.534 | 3,926.143 | 12,230.347 | 5,695.956 | 17,926.303 |
| HW Boiler Gas Usage | MMBTU | | | | 4,044.060 | | 4,044.060 |
| 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 |

Note: * depicts a unit that has not completed capacity test for the PJM Winter Capacity Demonstration Period in FY 2010-2011. All units are in the PJM Winter Exemption Program.

| 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) | 442,388 | 449,438 | 7,187 | 7,050 | 448,556 | 118,549* | 882 |
| Van Sant (#2 Fuel Oil) | 113,097 | 150,852 | 38,079 | 37,755 | 143,099 | 38,079 | 7,753 |

**Note:** As measured by tank level instruments. Tank levels may change due to oil temperature.
**Note: *** Oil purchases were made in October, 2010 for #2 oil to replenish oil stocks used during testing of Unit 3 during the summer period and in January 2011, 28,739 gallons of oil were purchased due to Unit 3 operational run. One truckload of oil that was part of the January oil purchase was off-loaded in February. A fuel oil purchase was made in February to replace fuel burned at Van Sant in January 2011.

| Van Sant Lifetime through 2/28/11 | | | |
|---|---|---|---|
| | Actual Starts | Factored Starts | Fired Hours |
| Van Sant | 1242 | 2153.65 | 4109.26 |
| Since HGP - Dec 2004 | 191 | 485.95 | 725.68 |

**Team Report:**

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.

The operators continue to use the Plant Readiness Program for training and refreshing their plant knowledge on different systems to improve the plant's reliability. Some of the training involved promotes teamwork with other staff members to work together to find a solution and to promote further discussions on equipment operation. The operators also use the GPi Learning courses to improve their knowledge and skills. The GPI online training which supports our safety, OSHA, and environmental training are being used by the teams to complete their training for the year. Along with the GPI OSHA training the operators review the plant's safety procedures.

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 February, plant maintenance staff continued addressing the backlog of work orders. There were work twenty-seven orders issued with forty-four work orders being completed during the month.

The table below summarizes the monthly work order activities.

| Work Order Report | | | | |
|---|---|---|---|---|
| February - 8 | | | | |
| Priority # | Outstanding From Previous Months | Issued This Month | Completed This Month | Outstanding at the end of the month |
| 1 | 6 | 1 | 4 | 3 |
| 2 | 24 | 10 | 15 | 19 |
| 3 | 28 | 10 | 8 | 30 |
| 4 | 46 | 0 | 6 | 40 |
| 5 | 10 | 0 | 1 | 9 |
| SW1 | 0 | 0 | 0 | 0 |
| SW2 | 0 | 0 | 0 | 0 |
| SW3 | 0 | 0 | 0 | 0 |
| SW4 | 0 | 0 | 0 | 0 |
| SW5 | 0 | 0 | 0 | 0 |
| PM | 63 | 6 | 10 | 59 |
| Totals | 177 | 27 | 44 | 160 |
| Note: PM's are included in the priority totals | | | | |

Notable activities during the month include:

1) Mechanical staff installed elongated bolts in every other bolt opening in three storage tank manway lid covers per the AST Inspection Report submitted by MOTT. The MOTT inspection report had identified the need for emergency tank venting in the event the tank became over pressurized. Normal venting of the tank is through one inch piping on each compartment.

2) The Maintenance and IC&E Staff, with assistance from the Operations Teams, completed a total renovation of an office located near the maintenance shop area. New energy efficient air conditioning, heat, lighting and a new ceiling were installed. Outside walls were insulated and the room was painted. This project was completed in advance of the new Compliance Specialist coming on-board at McKee Run.

3) Maintenance and IC&E Staff completed the removal and re-installation of the two air compressors and other air system components. This project consisted of moving two air compressors, one air dryer and the associated electric from the mezzanine level to the

ground floor. The ground floor location provides better air flow and cooling for the air compressors. With the air compressors located on the Mezzanine level, they had limited air flow and were exposed to higher ambient air often resulting in the air compressors running hot. During this project, all three air compressors and dryers were tied together as part of a total system with a means of isolating or using different compressors and dryers during times of heavy operation and to aid in taking the equipment out of service for PM servicing.

4) IC&E staff completed another phase of the Arc Flash Project. New breakers and handles were installed on the 480 volt switch gear and Motor Control Centers (MCCs). The final Arc Flash Analysis report was received from Llewyn with some additional actions items needed to complete the final phase of the project. New Arc Flash stickers will be installed on each breaker, along with new breaker/switching procedures and an updated PPE Policy to cover Arc Flash Protection for plant personnel.

5) IC&E Staff completed two work orders for repairs at units 1 and 2 cooling tower. One new pressure switch was installed on the alarm system and one new pressure alarm switch was installed on valve #1. These deficiencies were found during our annual fire protection testing and inspection.

## 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.<br>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.<br>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.<br>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.<br>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.<br>Schedule: The funding is in place. Funds have been used to cover the cost of the Unit 3 600-lb steam station valve repairs,<br>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.<br>Schedule: Deferred until 2011-2012 fiscal year. |
| EG1107 | Units 1 & 2 Life Extension | Progress: Bids have been evaluated and award is planned for March.<br>Schedule: Scheduled for the Spring Outage 2011. 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.<br>Schedule: This work is complete. |
| EG1109 | Unit 3 FD & ID Fan Damper Upgrade | Progress: Started on the development of the project work scope documents.<br>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.<br>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<br>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 February 2011.<br>Schedule: This is scheduled for the Spring Outage 2011. |
| 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 some installations have started.<br>Schedule: This is scheduled for the Spring Outage 2011. |
| EG1114 | Unit 3 Gas Line Modifications | Progress: Bid meetings were completed in February. The bid has been awarded. Some parts have been ordered and have been received.<br>Schedule: This is scheduled for the Spring Outage 2011. |

## 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 | 110 |
| EG1103 | Unit 3 Turbine Inspection | 348 | 348 |
| EG1104 | Unit 3 Aux System Components | 188 | 188 |
| EG1105 | Miscellaneous Capital Equipment Replacements | 71 | 77 |
| EG1106 | Unit 3 Stack Repairs | 25 | 25 |
| EG1107 | Units 1 & 2 Life Extension | 180 | 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 | 175## | 130 |
| EG1112 | Unit 3 Air Heater Expansion Joint | 65## | 65 |
| 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:

Each employee has been assigned a Safety Manual and Procedure (SMP) to review, update, and to make sure the policy is being followed. This review allows plant staff to provide input and to suggest changes to correct deficiencies they might find in the SMP. In addition, this provides opportunities for the individual to train to become the topic expert on the particular SMP and to aid in the training of all plant personnel on that SMP as well.

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 Gen-Checkout, Two Settlement, Ancillary Services, and Operating Reserves Settlement.

Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. This month's safety topic was "Importance of Sleep".

### Other Events:

Brian Hoyt started work on February 14 with NAES Corporation-Dover as a Compliance Specialist.

| Calendar of Events | Date |
|---|---|
| Winter Capacity Period | December 1, 2010 to February 28, 2011 |
| McKee Run and Van Sant Title V Annual Certification Due | February 1, 2011 |
| NOx Emissions Reconciliation Due | March 1, 2011 |
| SO2 Emissions Reconciliation Due | March 1, 2011 |
| SARA III Report | March 1, 2011 |
| Annual Van Sant Black Start Test | March 2011 (Exact Date TBD) |
| Unit 11 Spring Outage | March 14, 2011 – March 28, 2011 |
| Units 1, 2, and 3 Spring Outage | March 28, 2011 – May 23, 3011 |
| Air Emission Inventory | April 1, 2011 |
| EIA-923 Report | April 15, 2011 |
| EIA-860 Report | May 15, 2011 |
| Fiscal Year 2010-2011 Ends | June 30, 2011 |
| PJM Summer Capacity Test Period | June 1, 2011- August 31, 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 |
| #1 Unit Annual Inspection | October , 2011 |
| #2 Unit Annual Inspection | October , 2011 |

## 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 | Yes | Yes | Yes | $20,157 | $20,157 |
| Unit 11 | No | Yes | 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 Energy | $0.00 | ($689,670.39) | ($689,670.39) |
| Real-time Energy | $0.00 | $79,462.27 | $79,462.27 |
| Transmission Losses Credits | $0.00 | $58,202.93 | $58,202.93 |
| Network Integration Transmission Service Charges | $0.00 | ($240,046.52) | ($240,046.52) |
| Inadvertent Interchange Charges | $0.00 | ($2,331.34) | ($2,331.34) |
| Regulation Charges | $0.00 | ($14,807.99) | ($14,807.99) |
| Synchronized Reserve Charges | $0.00 | ($19,443.96) | ($19,443.96) |
| Balancing Operating Reserves Charges | $0.00 | ($7,631.18) | ($7,631.18) |
| Day Ahead Operating Reserves Charges | $0.00 | ($8,180.15) | ($8,180.15) |
| Day-ahead Scheduling Reserve | $0.00 | ($61.07) | ($61.07) |
| Synchronous Condensing Charges | $0.00 | ($131.09) | ($131.09) |
| Reactive Services Charges | $0.00 | ($12,626.78) | ($12,626.78) |
| Meter Correction Charges | $0.00 | $3,197.41 | $3,197.41 |
| Day-ahead Operating Reserve for Load Response | $0.00 | ($0.10) | ($0.10) |
| 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 | ($975,513.84) | ($975,513.84) |
| Capacity Transfer Rights Credits | $0.00 | $1,576.68 | $1,576.68 |
| Capacity Resource Deficiency Credits | $0.00 | $0.34 | $0.34 |
| Demand Response and ILR Compliance Penalty Credits | $0.00 | $0.00 | $0.00 |
| RPM Auction Credits | $905,508.80 | $0.00 | $905,508.80 |
| Auction Revenue Rights Credits | $0.00 | $28,404.88 | $28,404.88 |
| Synchronized Reserve Credits | $0.00 | $0.00 | $0.00 |
| PJM Scheduling System Control and Dispatch Service Charges | $0.00 | ($10,420.34) | ($10,420.34) |
| Transmission Owner Scheduling System Control and Dispatch Service Charges | $0.00 | ($4,187.70) | ($4,187.70) |
| Reactive Supply and Voltage Control from Generation Sources Service Charges | $0.00 | ($31,750.59) | ($31,750.59) |
| Reactive Supply Credit | $29,467.58 | $0.00 | $29,467.58 |
| Black Start Service Charges | $0.00 | ($1,209.14) | ($1,209.14) |
| North American Electric Reliability Corporation (NERC) Charge | $0.00 | ($490.33) | ($490.33) |
| Reliability First Corporation (RFC) Charges | $0.00 | ($743.98) | ($743.98) |
| Expansion Cost Recovery Charges | $0.00 | ($408.52) | ($408.52) |
| 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 | $546.77 | $546.77 |
| Generation Deactivation | $0.00 | $741.04 | $741.04 |
| Market Monitoring Unit (MMU) Funding | $0.00 | ($230.39) | ($230.39) |

| | | | |
|---|---|---|---|
| Organization of PJM States, Inc. (OPSI) Funding | $0.00 | ($34.95) | ($34.95) |
| FERC Annual Recovery | $0.00 | ($3,173.18) | ($3,173.18) |
| PJM Annual Membership | $0.00 | $0.00 | $0.00 |
| EFOR-P | $0.00 | $0.00 | $0.00 |
| DPL Settlement B | $0.00 | $2,478.06 | $2,478.06 |
| PPA | $0.00 | $246.34 | $246.34 |
| | **$939,520.88** | **($1,864,239.89)** | **($924,719.01)** |

## 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 | | $84.16 | | | $90.46 | | |
| 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.