UTILITY COMMITTEE

A G E N D A

December 14, 2009 - 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 Tmcdowell@dover.de.us) **should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Dedication of Rights-of-Way and Infrastructure - Seskinore

2. Review of Utility Related CIP's (Electric and Water/Wastewater)

3. PACE/NAES Monthly Report *(October)*

4. Adjournment by 5:55 P.M.

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

ACTION FORM

PROCEEDING: Utility Committee	**AGENDA ITEM**: 12/14/2009
DEPARTMENT OF ORIGIN: Public Services / Public Works	**DATE SUBMITTED**: 12/03/2009
PREPARED BY: Scott D. Koenig, P.E., Public Services Manager / Director of Public Works	
SUBJECT: Dedication of Rights-of-Way and Public Infrastructure – Seskinore Subdivision	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: City Manager	
EXHIBITS: Attachment A – List of Public Improvements to be accepted by the City of Dover Attachment B – Map	
EXPENDITURE REQUIRED: $ N/A **AMOUNT BUDGETED**: $ N/A **FUNDING SOURCE (Dept./Page in CIP & Budget)**: N/A	
TIMETABLE: All infrastructure improvements will become the responsibility of the City of Dover upon action by City Council.	
RECOMMENDED ACTION: Acceptance of dedication of rights-of-way and public infrastructure in the Seskinore Subdivision. Dedication is to include all of the referenced public improvements.	

BACKGROUND AND ANALYSIS

The developer of the Seskinore Subdivision, Fox Hall Plantation Company, has requested that all public infrastructure improvements related to this subdivision be dedicated to the City of Dover for permanent ownership and maintenance. Attachment A outlines all of the public improvements associated with this subdivision. The total construction value of the public improvements is $406,645. Attachment B shows the general location and configuration of the subject rights-of-way. Fox Hall Plantation Company has constructed all of the improvements in accordance with City standards and specifications. After construction was completed, City staff inspected the public improvements and provided the developer with a list of repairs to be made to meet the City of Dover Standards and Specifications for Public Works Construction. As of this date, all work related to the public infrastructure has been completed by the developer. A one (1) year Maintenance Agreement, Letter of Credit and a Release of Liabilities have been submitted by the developer as part of the dedication process. In addition, as-built drawings of the infrastructure have also been submitted to the City for our permanent records.

DEDICATION OF RIGHTS-OF-WAY AND PUBLIC INFRASTURCTURE
SESKINORE SUBDIVISION

ATTACHMENT A

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

Sewer Utility Infrastructure (Construction Value = $ 57,650):

8" SDR-35 PVC Sanitary Sewer Main	-	683 l.f.
6" PVC Sanitary Sewer Laterals	-	415 l.f. (18 laterals)
4' Diameter Sanitary Sewer Manholes	-	4 ea. (32.48 v.f.)

Water Utility Infrastructure (Construction Value = $ 84,905):

8" Ductile Iron (Class 52 Cement Lined) Water Main	-	451 l.f.
6" Ductile Iron (Class 52 Cement Lined) Water Main	-	481 l.f.
4" Ductile Iron (Class 52 Cement Lined) Water Main	-	265 l.f.
1" Polyethylene Water Service Lines	-	135 l.f. (15 services)
8" Gate Valve	-	1 ea.
6" Gate Valve	-	1 ea.
4" Gate Valve	-	1 ea.
4" Hydrant Valve	-	1 ea.
6" Hydrant Valve	-	1 ea.
Fire Hydrants	-	2 ea.
2" Blow Off Assembly	-	1 ea.

Storm Water Infrastructure (Construction Value = $ 78,740):

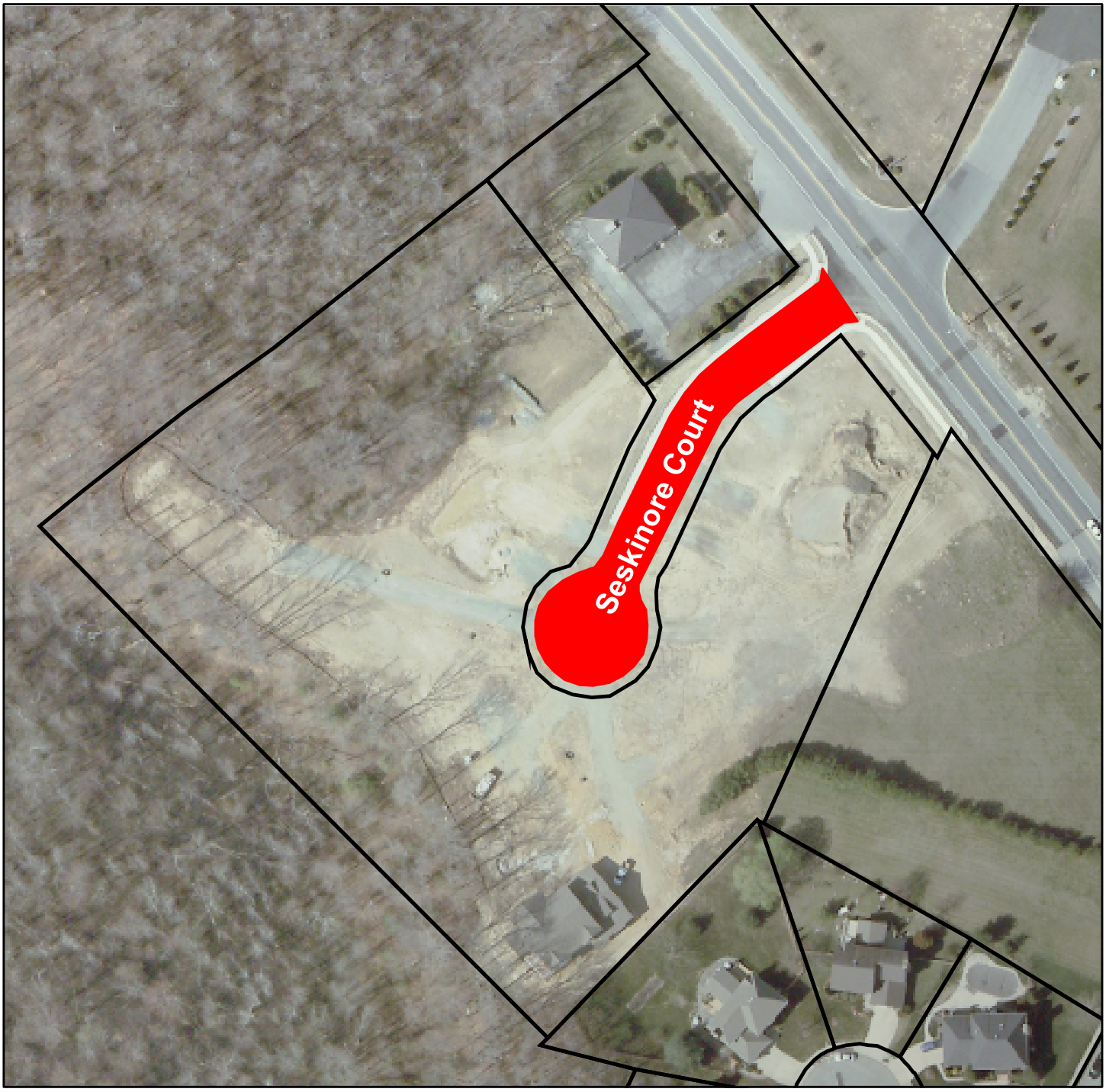
Catch Basins	-	9 ea.
15" Type III Reinforced Concrete Pipe	-	480 l.f.
18" Type III Reinforced Concrete Pipe	-	110 l.f.
24" Type III Reinforced Concrete Pipe	-	30 l.f.
Flared End Sections (Concrete)	-	3 ea.

Street Infrastructure (0.0758 miles) (Construction Value = $ 185,350):

Seskinore Court	Station 0+00 to Station 4+00	400 l.f.

Attachment B

Seskinore Subdivision
Right of Way to be Dedicated to the City of Dover



0 75 150 300 Feet

N

Legend

Right of Way to be Dedicated

Dover Parcels

Date Printed: December 2, 2009
Date Created: December 2, 2009
File: m:\gis_data\projects\st_dedication_map
Department: Public Services GIS
City of Dover, Delaware

City of Dover
Capital Investment Plan

Project Tracking Report
October 31, 2009

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.
  Examples are Water Quality - Pear Street; New Developments - Kent County Lighting; Distribution Upgrades - Crossgates;
* The FY10 Budget for Community Transportation & Streets $350,000 is expected to change based on the State of the City Review.
* 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
Beginning Budget Balance	$ 375,408	$ -	$ 699	$ 36,619	$ 412,726
State Grants	4,000,000	1,000,000	-	105,723	5,105,723
Revolving Fund Loans	-	-	8,346,498	-	8,346,498
Bond Proceeds	1,912,433	-	-	4,240,034	6,152,467
Impact Fees	-	-	518,230	-	518,230
State Funds (FY09 Carry Forward Gov Ave)	-	-	-	710,318	710,318
Library Reserve & Contributions	3,000,000	-			3,000,000
Transfer from Operating Funds	344,802	350,000	700,000	886,012	2,280,814
Interest Earned	2,700	-	-	33,700	36,400
Project Carry Forward Balances	30,000	-	1,094,697	2,652,769	3,777,466
Total Funding Sources (Unaudited)	$ 9,665,343	$ 1,350,000	$ 10,660,124	$ 8,665,175	$ 30,340,642

City of Dover
General Fund - Major CIP Projects
October, 2009

		TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR					
Type	**Description**	**Original Project Budget**	**Latest Project Budget**	**Project To Date Expenses**	**Project Budget Balance**	**% Budget Spent**	**Current Fiscal Yr. Budget**	**Revised Fiscal Yr. Budget**	**Fiscal YTD Expenses**	**% Budget Spent**	**Status**	**Comments**
	FY2008											
M	Park Improvement Program	$ 30,000	$ 30,000	$ -	$ 30,000	0.0%	$ -	$ 30,000	$ -	0.0%	Complete	Basketball Court repaved.
	Totals - FY08	$ 30,000	$ 30,000	$ -	$ 30,000	0.0%	$ -	$ 30,000	$ -	0.0%		
	FY2009											
M/G	New Library Project	$ 18,200,000	$ 24,679,934	$ 1,057,099	$ 23,622,835	4.3%	$ 8,912,433	$ 8,912,433	$ 320,033	3.6%	Started	Finishing Design Development Phase.
	Totals - FY09	$ 18,200,000	$ 24,679,934	$ 1,057,099	$ 23,622,835	4.3%	$ 8,912,433	$ 8,912,433	$ 320,033	3.6%		
	FY2010											
	Vehicles & Equipment	$ 372,910	$ 372,910	$ 233,051	$ 139,859	62.5%	$ 372,910	$ 372,910	$ 233,051	62.5%	Started	Includes DFD payment & Police Grants
	Concrete Program	50,000	50,000	764	49,236	1.5%	50,000	50,000	764	1.5%	Started	Nearing completion.
	Transfer to CT Fund	300,000	300,000	-	300,000	0.0%	300,000	300,000	-	0.0%	N/A	
	Totals - FY10	$ 722,910	$ 722,910	$ 233,815	$ 489,095	32.3%	$ 722,910	$ 722,910	$ 233,815	32.3%		
	Grand Totals	$ 18,952,910	$ 25,432,844	$ 1,290,914	$ 24,141,930	5.1%	$ 9,635,343	$ 9,665,343	$ 553,848	5.7%		

Legend

M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is rebudgeted to start over each fiscal year.
G = Grant funded project

City of Dover
Community Transportation & General Fund Street Funds - Major CIP Projects
October, 2009

		TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR					
Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Yr. Budget	Revised Fiscal Yr. Budget (1)	Fiscal YTD Expenses	% Budget Spent	Status	Comments
	FY 2002											
	North Street Sidewalk	$ 80,416	$ 80,416	$ -	$ 80,416	0.0%	$ -	$ 80,416	$ -	0.0%	Not started	Work on hold pending Collegiate decision.
	Totals	$ 80,416	$ 80,416	$ -	$ 80,416	0.0%	$ -	$ 80,416	$ -	0.0%		
	FY 2005											
	Dover Little League Parking Lot Phase II	$ 14,906	$ 14,906	$ 3,332	$ 11,574	22.4%	$ -	$ 11,574	$ -	0.0%	Done	Awaiting DELDOT/staff decision on re-appropriation of available funds.
	Totals	$ 14,906	$ 14,906	$ 3,332	$ 11,574	22.4%	$ -	$ 11,574	$ -	0.0%	-	
	FY 2006											
M	Lincoln Park Center (317)	$ 400,000	$ 400,000	$ 252,725	$ 147,275	63.2%	$ -	$ 147,275	$ -	0.0%	Started	Ongoing.
	Totals	$ 400,000	$ 400,000	$ 252,725	$ 147,275	63.2%	$ -	$ 147,275	$ -	0.0%	-	-
	FY 2007											
	E. Water Street Brick Sidewalk	$ 65,000	$ 65,000	$ -	$ 65,000	0.0%	$ -	$ 65,000	$ -	0.0%	Not started	10% received from State, not part of street program. Separate contract due to nature of work.
	Totals	$ 65,000	$ 65,000	$ -	$ 65,000	0.0%	$ -	$ 65,000	$ -	0.0%		
	FY 2009											
	Spruance Road - White Oak to Maple Parkway	$ 141,000	$ 141,000	$ 50,005	$ 90,995	35.5%	$ -	$ 141,000	$ 50,005	0.0%	Started	Work in progress.
	Spruance Road - Maple Parkway to East Division	125,400	125,400	51,744	73,656	41.3%	-	125,400	51,744	0.0%	Started	Work in progress.
	Various FY09 Streets	225,000	225,000	175,748	49,252	78.1%	-	85,000	35,748	0.0%	Started	Independence & Greenway started.
	Schutte Park	21,950	21,950	-	21,950	0.0%	-	21,950	-	0.0%	Not Started	Scheduled FY 2009.
	Woodsedge Road	75,000	75,000	-	75,000	0.0%	-	75,000	-	0.0%	Not Started	Scheduled FY 2009.
	Various Streets	206,287	206,287	-	206,287	0.0%	-	206,287	-	0.0%	Not Started	
	Westover Landscaping	2,500	2,500	1,451	1,049	58.0%	-	2,500	1,451	0.0%	Work is done	
	Totals	$ 797,137	$ 797,137	$ 278,948	$ 518,189	35.0%	$ -	$ 657,137	$ 138,948	0.0%		
	FY 2010											
	Street & Alley Program	$ 350,000	$ 522,690	$ -	522,690	0.0%	$ 350,000	$ 472,690	$ -	0.0%	Not Started	Original Budget should be $300,000.
	Budgeted CT Agreements FY10	1,000,000	1,000,000	-	1,000,000	0.0%	1,000,000	1,000,000	-	0.0%	Not Started	No fiscal FY10 agreements signed
	Totals	$ 1,350,000	$ 1,522,690	$ -	$ 1,522,690	0.0%	$ 1,350,000	$ 1,472,690	$ -	0.0%		
	Grand Totals	$ 2,707,459	$ 2,880,149	$ 535,005	$ 2,345,144	18.6%	$ 1,350,000	$ 2,434,092	$ 138,948	10.3%		

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.

(1) Includes Project carry forward balances from FY 09.

City of Dover
Water/Wastewater Improvement & Extension Fund - Major CIP Projects
October, 2009

			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
		FY 2008											
WD0807		South Governors Ave. Water Main Upgrade	$ 200,000	$ 200,000	$ -	$ 200,000	0.0%	$ -	$ 200,000	$ -	0.0%	Started	Construction North of Wyoming Ave.
WD0804	M	1.0 MG Elevated Water Storage Tower	4,196,600	2,590,000	4,830	2,585,170	0.2%	200,000	196,255	1,085	0.6%	Started	Selecting Tank Model & Site; FY11 = Constr.
WD0805	M	Piney Point Well	398,800	665,000	29,545	635,455	4.4%	-	185,455	-	0.0%	Started	Test Well at Schutte Successful; FY11 = Constr.
WW0809	M	South Governors Ave. Sewer Main	300,000	291,000	9,912	281,088	3.4%	-	281,088	-	0.0%	Started	Construction North of Wyoming.
WW0810	M/SL	US 13 East Sanitary Sewer Interceptor	2,376,800	3,409,641	214,544	3,195,097	6.3%	3,201,480	3,201,480	6,383	0.2%	Started	Going to Council for Contract Approval.
WW0805	M	Lafferty Lane Package P/S Replacement	230,000	374,369	392,564	(18,195)	104.9%	-	-	-	0.0%	Completed	In service. O/S Encumbrance $26,269.
		Totals - FY08	$ 7,702,200	$ 7,530,010	$ 651,395	$ 6,878,615	8.7%	$ 3,401,480	$ 4,064,278	$ 7,468	0.2%		
		FY2009											
WQ0901		Washington Street	$ 492,800	$ 310,100	$ 310,063	$ 37	100.0%	$ -	$ -	$ -	0.0%	Completed	
WQ0902		Pear-West Street	759,100	653,804	408,686	245,118	62.5%	-	331,900	86,782	26.1%	Started	Pear Street Done.
WQ0903		South Street	120,800	79,800	37,469	42,331	47.0%	-	-	-	0.0%	Completed	
WQ0904		Contact Chambers - residual analyzers	100,000	113,800	95,484	18,316	83.9%	-	-	-	0.0%	Completed	
WQ0905	M/SL	Bayard Avenue	590,910	590,910	6,490	584,420	1.1%	533,510	584,420	-	0.0%	Started	Waiting for State financing approval.
WQ0906	M/SL	East side N. State Street	868,707	876,703	29,003	847,700	3.3%	846,807	847,700	-	0.0%	Started	Waiting for State financing approval.
WQ0907	M/SL	Route 13 Water Main	1,058,700	1,091,797	91,027	1,000,770	8.3%	1,023,700	1,024,400	23,630	2.3%	Started	Waiting for State financing approval.
	R	Water Quality Improvements FY09	$ 3,991,017	$ 3,716,914	$ 978,222	$ 2,738,692	26.3%	$ 2,404,017	$ 2,788,420	$ 110,412	28.5%	Started	
WW0902	M/SL	DE State University Pumping Station Repl.	386,400	386,400	32,449	353,951	8.4%	336,400	360,473	6,522	1.8%	Started	To Council for Contract Approval.
WW0905	M/SL	Fox Hall/Retreat Force Main Rerouting	133,100	139,245	36,519	102,726	26.2%	107,200	107,200	4,474	4.2%	Started	Going to Council for Contract Approval.
WW0907	M/SL	Acorn Lane Pump Station Replace.	386,400	386,400	33,413	352,987	8.6%	336,400	359,823	6,836	1.9%	Started	Going to Council for Contract Approval.
		Totals - FY09	$ 4,896,917	$ 4,628,959	$ 1,080,602	$ 3,548,357	23.3%	$ 3,184,017	$ 3,615,916	$ 128,244	3.5%		
		FY2010											
N/A		Vehicles & Equipment	$ 55,600	$ 55,600	$ -	$ 55,600	0.0%	$ 55,600	$ 55,600	$ 9,855	17.7%	Started	
WQ1002	M	Water Quality - Walker Road	200,000	200,000	-	200,000	0.0%	200,000	200,000	-	0.0%	Started	Waiting for State financing approval.
WD1001	R	Wellhead Redevelopment Program	55,000	55,000	70,238	(15,238)	127.7%	55,000	55,000	70,238	127.7%	Started	Wells #13 & #15 done. Repairing Well #10.
WD1002		Remote Control & Monitor Wells	55,000	55,000	-	55,000	0.0%	55,000	55,000	-	0.0%	Started	Radios ordered.
WD1004	R	Misc. Distribution System Replacements	65,000	65,000	-	65,000	0.0%	65,000	65,000	-	0.0%	Not Started	Ongoing, as needed.
WW1001	R	Inflow/Infiltration Removal - Phase II	1,800,000	1,800,000	-	1,800,000	0.0%	1,800,000	1,800,000	-	0.0%	Started	No bidders, relooking at spec's have to rebid.
WW1002	R	Scada Technology Equip Upgrade	79,300	79,300	483	78,817	0.6%	79,300	79,300	483	0.6%	Started	RTU's ordered.
WW1006	M	Del. State Univ. Force Main Rerouting	137,700	137,700	-	137,700	0.0%	26,800	26,800	-	0.0%	Started	Design only, awarded to Braun Engineering.
WW1007	M	Fox Hall Pump Station	427,900	427,900	-	427,900	0.0%	52,000	52,000	-	0.0%	Started	Design only, awarded to Braun Engineering.
WW1008	M	Heatherfield Pumping Station Upgrade	220,400	220,400	-	220,400	0.0%	40,000	40,000	-	0.0%	Started	Design only, awarded to Braun Engineering.
WW1010	I	Tar Ditch Interceptor Upgrade	518,230	518,230	-	518,230	0.0%	518,230	518,230	-	0.0%	Started	Design only, awarded to Braun Engineering.
WW1011	R	Misc. Sewer System Improvements	33,000	33,000	-	33,000	0.0%	33,000	33,000	-	0.0%	Not Started	Ongoing, as needed.
		Totals - FY10	$ 3,647,130	$ 3,647,130	$ 70,721	$ 3,576,409	1.9%	$ 2,979,930	$ 2,979,930	$ 80,576	2.7%		
		Grand Totals	$ 16,246,247	$ 15,806,099	$ 1,802,718	$ 14,003,381	11.4%	$ 9,565,427	$ 10,660,124	$ 216,288	2.0%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is 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
October, 2009

		TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR					
Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Yr. Budget	Revised Fiscal Yr. Budget	Fiscal YTD Expenses	% Budget Spent	Status	Comments
	FY 2006											
M/B	69 KV feeders 3 and 4	$ 11,060,000	$ 8,250,382	$ 8,417,144	$ (166,762)	102.0%	$ -	$ 94,459	$ 261,221	276.5%	Done	In service.
M/S	Governor's Avenue Rebuild	1,268,450	2,068,260	446,608	1,621,652	21.6%	-	1,629,658	8,006	0.5%	Started	Completed south of Wyoming. Working north of Wyoming.
	Totals - FY06	$ 12,328,450	$ 10,318,642	$ 8,863,752	$ 1,454,890	85.9%	$ -	$ 1,724,117	$ 269,227	15.6%		
	FY 2008											
	Unit 3 Turb Bearing Fire Protect Deluge	$ 50,000	$ 50,000	$ 85	$ 49,915	0.2%	$ -	$ 50,000	$ 85	0.2%	Started	Selecting vendor.
M/B	Horsepond Road Substation	1,020,000	1,039,000	1,029,397	9,603	99.1%	-	9,603	-	0.0%	Completed	In service.
M/B	McKee Run Unit 3 Pollution Remediation & Fuel Testing	3,000,000	3,120,555	2,716,578	403,977	87.1%	-	506,225	102,248	20.2%	Completed	Being tested.
M/B	St. Jones Substation	5,376,068	6,151,195	6,093,855	57,340	99.1%	-	275,009	217,669	79.1%	Completed	In service.
	Totals - FY08	$ 9,446,068	$ 10,360,750	$ 9,839,916	$ 520,834	95.0%	$ -	$ 840,837	$ 320,002	38.1%		
	FY2009											
	Danner Farm Transformer	$ 45,000	$ 45,000	$ 25,075	$ 19,926	55.7%	$ -	$ 21,417	$ 1,492	7.0%	Started	Equipment ordered. Should be done by March.
	Distribution Upgrades - Schoolview	100,000	175,000	164,166	10,834	93.8%	-	16,398	5,564	33.9%	Started	On-going.
	McKee & VanSant Arc Flash	50,000	50,000	-	50,000	0.0%	-	50,000	-	0.0%	Started	Bids Awarded.
	Totals - FY09	$ 195,000	$ 270,000	$ 189,241	$ 80,760	149.5%	$ -	$ 87,815	$ 7,056	0.0%		
	FY2010											
	Vehicles & Equipment	$ 347,042	$ 347,042	$ 84,311	$ 262,731	24.3%	$ 347,042	$ 452,765	84,311	18.6%	Started	Out to bid.
B	Vansant CT Mark IV Control (Replmnt)	700,000	700,000	166	699,834	0.0%	700,000	700,000	166	0.0%	Started	Council Approved Contract.
B	Plant Driveway	240,000	240,000	-	240,000	0.0%	240,000	240,000	-	0.0%	Not Started	
R	Misc. Upgrades	51,000	51,000	2,671	48,329	5.2%	51,000	51,000	2,671	5.2%	Started	Ongoing, as needed.
	McKee Run Smoke/Heat Detection	55,000	55,000	86	54,914	0.2%	55,000	55,000	86	0.2%	Started	Out to Bid.
	Work Mgmt. System Replacement	85,000	85,000	-	85,000	0.0%	85,000	85,000	-	0.0%	Started	Out to Bid.
	Unit 3 Remove Cyclone Separators	51,000	51,000	-	51,000	0.0%	51,000	51,000	-	0.0%	Started	Design and Permitting.
	Unit 2 Remove Cyclone Separators	36,000	36,000	-	36,000	0.0%	36,000	36,000	-	0.0%	Started	Design and Permitting.
	Unit 1 Remove Cyclone Separators	36,000	36,000	-	36,000	0.0%	36,000	36,000	-	0.0%	Started	Design and Permitting.
R	UG Transformers	156,570	156,570	8,300	148,270	5.3%	156,570	156,570	8,300	5.3%	Started	Ongoing, as needed.
R	UG Conductors	457,780	457,780	93,187	364,593	20.4%	457,780	457,780	93,187	20.4%	Started	Ongoing, as needed.
R	Kent County Lighting Project	216,950	216,950	8,265	208,685	3.8%	216,950	216,950	8,265	3.8%	Started	Working in Fairfield.
R	Single & 3 Phase Meters	50,000	50,000	10,854	39,146	21.7%	50,000	50,000	10,854	21.7%	Started	Ongoing as needed.
	Total New Developments	881,300	881,300	120,606	760,694	13.7%	881,300	881,300	120,606	13.7%		
R	Lighting Improvements & Rehab	50,000	50,000	12,513	37,487	25.0%	50,000	50,000	12,513	25.0%	Started	In Cranbury Run& Mill Creek.
R	Replacement of 69KV Breakers	183,000	183,000	-	183,000	0.0%	183,000	183,000	-	0.0%	Started	Breakers ordered.
R	Replace SS Equipment (as required)	40,000	40,000	-	40,000	0.0%	40,000	40,000	-	0.0%	Started	Ongoing, as needed.
R	Distribution Capacitors	120,000	120,000	832	119,168	0.7%	120,000	120,000	832	0.7%	Started	In design.
M/B	Mid City Substation	1,488,461	1,593,461	56,828	1,536,633	3.6%	1,593,461	1,593,461	56,828	3.6%	Started	Under construction. May completion planned.
R	PT & CT Replacement	260,880	260,880	-	260,880	0.0%	260,880	260,880	-	0.0%	Started	In design.
R	Transmission & Switches	23,000	23,000	-	23,000	0.0%	23,000	23,000	-	0.0%	Started	Ongoing as needed.
R	Upgrade Trans., Distr. Lines	351,096	351,096	109,335	241,761	31.1%	351,096	351,096	109,335	31.1%	Started	Ongoing as needed.
B	Crossgates	396,904	396,904	116,104	280,800	29.3%	396,904	396,904	116,104	29.3%	Started	Line burial.
B	Buchanan Acres	406,000	406,000	170,401	235,599	42.0%	406,000	406,000	170,401	42.0%	Started	Line burial.
	Total Distribution Upgrades	1,154,000	1,154,000	395,840	758,160	34.3%	1,154,000	1,154,000	395,840	34.3%	Started	In Kent Acres & S. of Dover.
	Totals - FY10	$ 5,801,683	$ 5,906,683	$ 673,853	$ 5,232,830	11.4%	$ 5,906,683	$ 6,012,406	$ 673,853	11.2%		
	Grand Totals	$ 27,771,201	$ 26,856,075	$ 19,566,762	$ 7,289,313	72.9%	$ 5,906,683	$ 8,665,175	$ 1,270,138	14.7%		

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

PACE | Global Asset Management

4401 Fair Lakes Court
Fairfax, Virginia 22033-3848 USA
Phone: 703-818-9100
Fax: 703-818-9108

City of Dover

October Monthly Report

Energy and Operations Management

November 19, 2009

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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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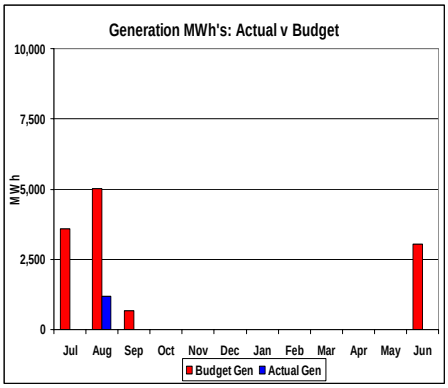
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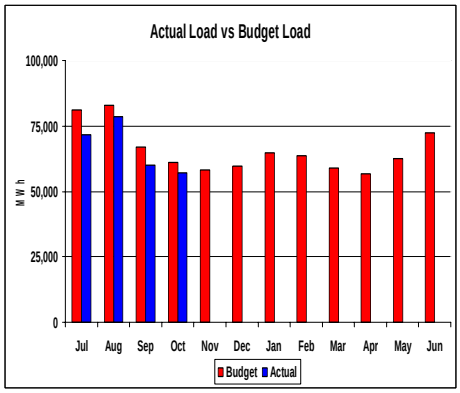
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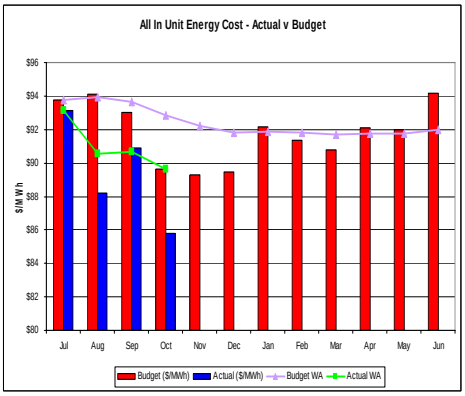
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1.0 - EXECUTIVE SUMMARY







Purchased Power Management

Wholesale load for the month of September was 56,994 MWhs versus a three year historic weather normalized load of 61,170 MWhs. Hedged transactions accounted for 53,440 MWhs or 93.8% of this volume (87.4% of forecasted load) at a cost of $4.2 million. Spot Market purchases resulted in a PJM charge of $192 thousand ($197 thousand charge in the Day Ahead market and a $5 thousand credit in the real time market). Other PJM related charges accounted for an additional $1.4 million cost, inclusive of all load related fees. October All-In Energy Unit Cost, excluding capacity obligations and credits was $3.81/MWh favorable compared to the budget for October 2009 of $89.63/MWh. For the year, projected All-In Energy Unit Cost is $96.83/MWh, $3.32/MWh favorable compared to budget; based on YTD actual 4 months results and 8 months projected costs.

Generation and Asset Management

For the month of October McKee Run and Van Sant units did not dispatch into the PJM market. A relatively low average on-peak LMPs for the month demonstrated that the PJM system did not generally require support from the peaking units. The budget also did not project generation for this month.

Emissions and Allowance Management

As shown in Exhibit 1, during the month of October, Dover neither generated emissions nor sold allowances. Year-to-date, Dover has sold 1,500 SO_2 allowances at a price of $86.00 per allowance generating $128,250 ($129,000 in gross sales less $750 in broker fees). The $128,250 represents 59% of the budgeted sales for SO_2 while 1,500 SO_2 allowances represents 55% of the 2009 allocation and 25% of the total SO_2 inventory. As of October 31, Dover held a total inventory of 4,462 tons SO_2 allowances comprised of 2,722 tons of 2009 vintage allowances, 1,432 tons of 2008 vintage and 308 tons of vintage 2007 SO_2 allowances. The City also held 65 tons of 2009 vintage

NOx seasonal allowances and 46 tons of 2009 vintage NOx Annual. The City did not have an inventory of NOx allowances from prior years.

Exhibit 1: Emissions and Allowance Summary through October 31, 2009

2009-2010 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	Initial 2009 Allocation	2,723	--	--	51	76	--	--
9/29/09	SO_2 Sales	(1,500)	$86	$128,250				
9/30/09	2009 YTD Emissions[3]	1	--	--	5	11	--	--
Totals								
- 2007 Vintage Allowances		**308**	**--**	**$20,605.5**	**0**	**--**	**--**	**--**
- 2008 Vintage Allowances		**1,432**	**--**	**$107,644.5**	**0**	**--**	**--**	**--**
- 2009 Vintage Allowances		**2,722**	**--**	**--**	**46**	**65**	**--**	**$0**

$0
$128,250
Total Revenue **$128,250**

Notes:
(1) Revenue calculations account for a $.50/ton broker fee for SO_2 and a $10/ton broker fee for NO_x.
(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) The 2009 initial allowance allocation accounts for the reinstatement of CAIR while new SO_2 and NO_x emissions rules are completed. These allocations may changes as the rulemaking process continues.

During the October 15, 2009 Management Committee meeting, the Committee resolved to sell a sufficient quantity of allowances to achieve it budget. On November 5th, 2009 and November 6th, 2009, Dover entered into transactions to sell 45 NO_X annual allowances at a price of $670 per allowance and 1,410 SO_2 allowances at a price of $81.00 per allowance. Additionally, Dover is in the process of completing the sale of 25 NO_X seasonal allowances at a price of $110 per allowance. After deducting brokerage transaction fees, these transactions will net Dover $145,830 in revenue. Including the revenue generated from the October sale of 1,500 SO_2 allowances, Dover's total revenue for the 2009-2010 fiscal year is $274,080 (see exhibit 1). Dover's budgeted revenue for all allowance sales during the 2009-2010 fiscal year was $274,000. Provided the sale for the 25 NO_X seasonal allowances is completed as planned, Dover will have met their budgeted revenue requirements.

Given current dispatch expectations, the market value of the remaining 2007-2009 Dover allowance inventory assuming all transactions initiated in November are consumated is approximately $265 thousand at the time of this report. This represents 3,052 SO_2 allowances trading at $82, 21 Seasonal NO_x allowances trading at $110, and 21 Annual NO_x trading at $600.

EMISSIONS & ALLOWANCE SUMMARY Through October 31, 2009						
Allowance Vintage	Allowance Allocation	Emissions Month	Emissions	Allowances Sold Month	Allowances Sold	Allowance Balance
SO_2 – 2007	2723	0	98	0	2317	308[1]
SO_2 – 2008	2723	0	32	0	1259	1,432
SO_2 – 2009	2723	0	1	0	0	2722
NO_x – 2007	198	0	32	0	166	0
NO_x – 2008	198	0	20	0	178	0
NO_x Annu – 2009	76	0	11[2]	0	0	65
NO_x Seas – 2009	51	0	5	0	0	46

Operations Management Summary

During the month of October, there were no employee or contractor related OSHA injuries, illnesses, or time loss accidents. The facility has now gone 277 days without an OSHA recordable accident and 1,916 consecutive days without a lost time reportable accident. There were zero Environmental Notices of Violations issued. There were two Near Miss Events that occurred during the month. Planned maintenance outages were completed on McKee Run Units 1 and 2 during the month.

There were no unit dispatches by PJM for the generating units at McKee Run or the unit at VanSant.

Monthly Budget Variance - The actual expenses attributable to O&M of the two sites for the month of October were $349,411. The expenses were $63,279 or 1.09% under the approved budget of $412,690. The principal reasons for the positive variance are due to lower water and electric usage in September and October.

Risk Management Summary

Both spot and forward natural gas prices have slumped moderately as the unseasonably warm temperatures have helped prevent a rally. The forward curve has become more contango, with the front end of the curve shifting lower and the back end of the curve remaining relatively unchanged from last month's report. As the result of natural gas price stagnation, forward PJM power prices have taken on a more contango shape as well.

[1] Corrected 2007 SO2 tons emitted to reflect actual emission for Units 3 & 11. December, 2007 report included emissions for all four units.

[2] Approximately 10 tons of NOx Emissions resulted from February McKee testing associated with Pollution Remediation project and June emission testing.

Overall, market forward wholesale Dover power prices for FY 2009-10, FY 2010-11, and FY 2011-12 decreased by 4.26% ($2.15/MWh), 7.94% ($4.66/MWh), and 8.07% ($4.92/MWh), respectively, compared with the last reporting period. The reported wholesale Cost-of-Service values in the table below reflect these movements in market prices:

Wholesale Cost-of-Service Summary (Projected)

Date 11/16/2009	**Budget**	**November**					**Oct**	**Sep**
Power Year	Cost-of-Service Budget	Cost-of Service $/MWh	Hedge Ratio w/o Solar Plant	Hedge Ratio w/ Solar Plant	Year-to Year Increase	Forecasted over 2008-09 Budget	Cost-of Service $/MWh	Cost-of Service $/MWh
2009-2010	$93.26	$91.94	90%	90%	2.1%	1.95%	$91.41	$91.44
2010-2011	N/A	$84.74	85%	86%	-7.8%	-6.04%	$85.28	$84.37
2011-2012	N/A	$79.84	74%	76%	-5.8%	-11.47%	$81.15	$79.84
2012-2013	N/A	$73.53	56%	59%	-7.9%	-18.47%	$75.08	$72.81
2013-2014	N/A	$73.92	18%	20%	0.5%	-18.03%	$75.92	$71.59

**FY 08/09 Budgeted Cost-of-Service was $90.18/ MWh*

2.0 - BUDGET REPORT

2.1 – VARIANCE REPORT

	Budget Oct-09	Actual Oct-09	Variance Oct-09
Load Forecast	**61,170**	**56,994**	**4,176**
Power Supply			
Power Supply	$4,237,642	$4,237,642	$0
Power Supply Management	$244,214	$240,962	$3,251
Capacity Charges - Load	$1,149,137	$1,154,527	($5,390)
PJM Charges - Load	$1,000,778	$412,475	$588,303
Total - Power Supply	**$6,631,770**	**$6,045,606**	**$586,164**
Generation			
Plant Operations	$412,690	$349,411	$63,279
Generation Fuel	$7,643	$8,211	($568)
Capacity Credits	($1,032,361)	($1,032,361)	$0
PJM Credits	($5,403)	($5,487)	$83
Total - Generation	**($617,432)**	**($680,226)**	**$62,794**
Emission Allowance Sales			
Total - Emission Allowance Sales	**$0**	**$0**	**$0**
Total Power Supply & Generation	**$6,014,338**	**$5,365,381**	**$648,958**
Total Power Supply, Generation & Emission Sales	**$6,014,338**	**$5,365,381**	**$648,958**
Unit Costs			
Total – Power Supply	$108.42	$106.07	$2.34
Total - Generation + Emission Sales	($10.09)	($11.94)	$1.84
Final Cost of Service to City of Dover Ratepayers	**$98.32**	**$94.14**	**$4.18**

	Budget YTD	Actual YTD	Variance YTD
Load Forecast	**292,157**	**267,200**	**24,957**
Power Supply			
Power Supply	$20,970,134	$20,970,134	$0
Power Supply Management	$1,037,045	$1,018,774	$18,271
Capacity Charges - Load	$4,559,478	$4,580,606	($21,128)
PJM Charges - Load	$5,111,656	$1,955,658	$3,155,998
Total - Power Supply	**$31,678,314**	**$28,525,173**	**$3,153,141**
Generation			
Plant Operations	$1,961,437	$1,649,147	$312,290
Generation Fuel	$910,494	$97,057	$813,437
Capacity Credits	($4,096,141)	($4,103,089)	$6,948
PJM Credits	($1,237,942)	($115,803)	($1,122,139)
Total - Generation	**($2,462,152)**	**($2,472,688)**	**$10,536**
Emission Allowance Sales			
Total - Emission Allowance Sales	**($57,500)**	**($129,000)**	**$71,500**
Total Power Supply & Generation	**$29,216,163**	**$26,052,486**	**$3,163,677**
Total Power Supply, Generation & Emission Sales	**$29,158,663**	**$25,923,486**	**$3,235,177**
Unit Costs			
Total – Power Supply	$108.43	$106.76	$1.67
Total - Generation + Emission Sales	($8.62)	($9.74)	$1.11
Final Cost of Service to City of Dover Ratepayers	**$99.80**	**$97.02**	**$2.78**

2.2 – VARIANCE ANALYSIS

Power Supply

- As discussed during the June, 2009 Management Committee, City of Dover's approved budget established in April utilized a preliminary PJM Base Residual Auction values. On June 2nd 2009, PJM announced the final Base Residual Auction for the current FY that resulted in an increase of $5.25 per MW.day UCAP charge ($196.57). In addition PJM also discovered and corrected errors to the variables that calculate the current FY UCAP Obligation. Collectively these charges will result in unfavorable variances each month; and in September the unfavorable variance resulted in $5,390.

- The PJM Charges for Load experienced a positive $588 thousand variance due to 6.7% reduction in demand that displaced the expected Open Position by the same amount; a $136 thousand favorable Basis variance; and a $151 thousand favorable Load Following variances for the month. Furthermore, there was a $17 thousand favorable variance in transmission costs, thousand favorable variance in the PJM ancillary charges and a $11 thousand favorable variance in transmission rights credits for the month. Offsetting these favorable variances was a $73 thousand unfavorable variance in the transmission loss refund.

- For the month a favorable $588 thousand net variance between the Power Supply (fixed positions) and PJM Charges Load (Open positions and transmission etc) was realized through a favorable $341 thousand variance caused by the change in volume and a favorable $247 thousand variance caused by the change in price. Hence, 58% of the variance can be attributed to the change in the volume.

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

Generations

- Plant O&M resulted in a favorable variance of $63 thousand compared to the approved budget of $413 thousand due to due to lower water and electric usage in September and October.

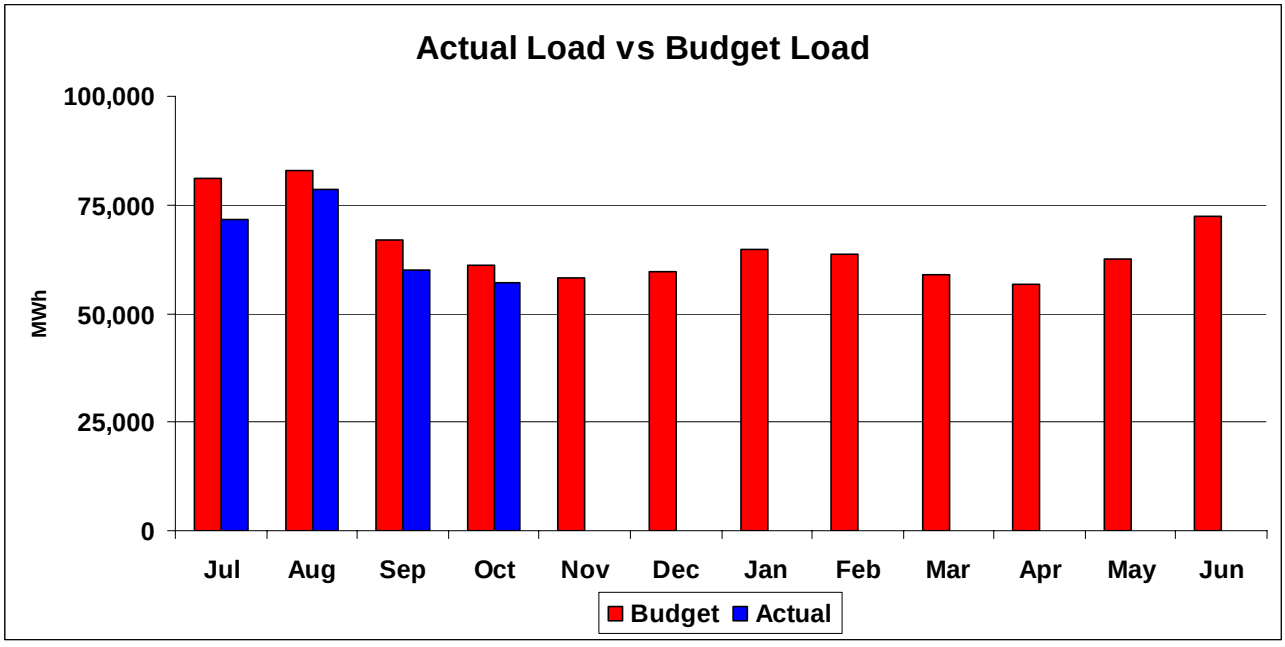
3.0 – ENERGY MANAGEMENT

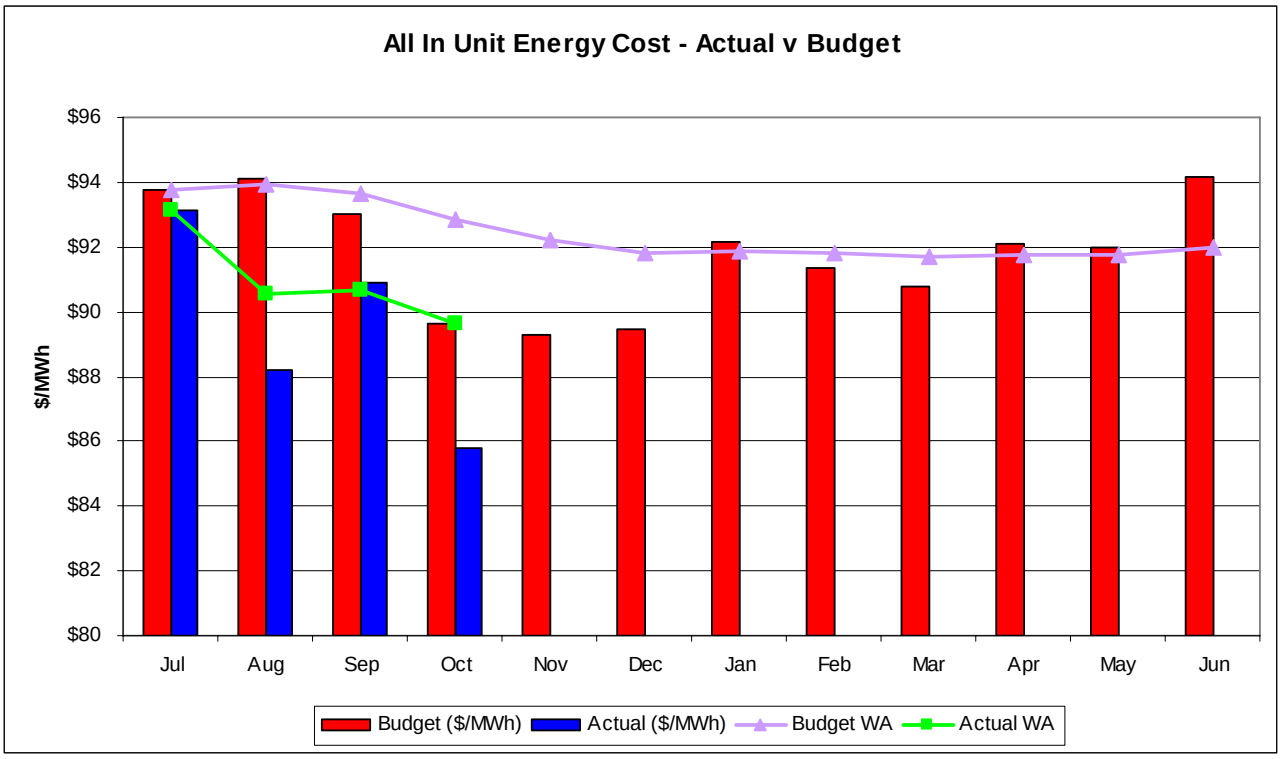
3.1 - PURCHASED POWER

Management Highlights

- Dover's October load was 56,994 MWh which was 6.7% below the historic weather normalized load of 61,170 MWh. Hedge volumes accounted for 93.8% of actual load for the month.

- The October All In Unit Energy cost excluding capacity of $85.82 is $3.81 per MWh lower than budget for the month.




All In Unit Energy Cost - Actual v Budget
$/MWh
$96
$94
$92
$90
$88
$86
$84
$82
$80
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Budget ($/MWh)
Actual ($/MWh)
Budget WA
Actual WA

Purchased Power Variance Report

	Budget Oct-09	Actual Oct-09	Variance Oct-09
City of Dover Load			
Load Obligation (MWh)	61,170	56,994	4,176
Unit Energy Costs ($ per MWh)			
Energy Cost (inc. Load Following & Pace Fees)	$83.14	$80.13	$3.01
Pass Through	$5.22	$4.38	$0.84
Incentive Fees	$1.27	$1.30	($0.04)
Total - All In Unit Energy Cost	**$89.63**	**$85.82**	**$3.81**

Purchased Power Variance Analysis

- Actual Dover load of 56,994 MWh was 6.7% below the projected October load of 61,170 MWh.

- The All In Unit Energy Cost resulted in an favorable $3.81 per MWh variance due to lower than anticipated open position energy costs due to a favorable Basis variance; and favorable Load Following variances for the month. Furthermore there was a favorable variance in transmission costs, PJM ancillary charges and transmission rights credits. Offsetting these favorable variances was transmission loss refund for the month.

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

PJM Power Balancing and Load Related Fees

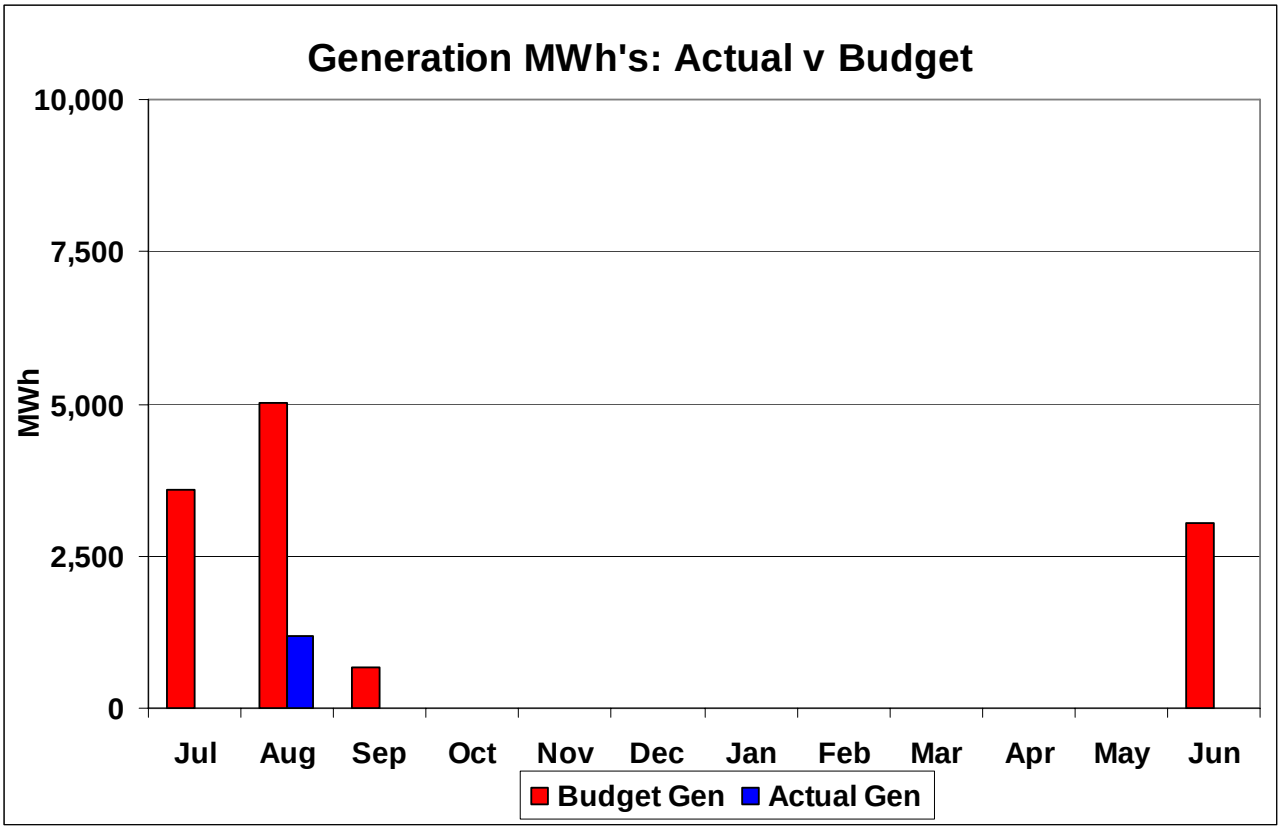
Purchased Power (Hedges): 53,440 MWh's @ $79.30/MWh:	$4,237,642
Power Balancing and Additional PJM and Energy Manager Fee[3]:	$1,807,964
Total Cost to Serve Load (60,040 MWh's)	$6,045,606

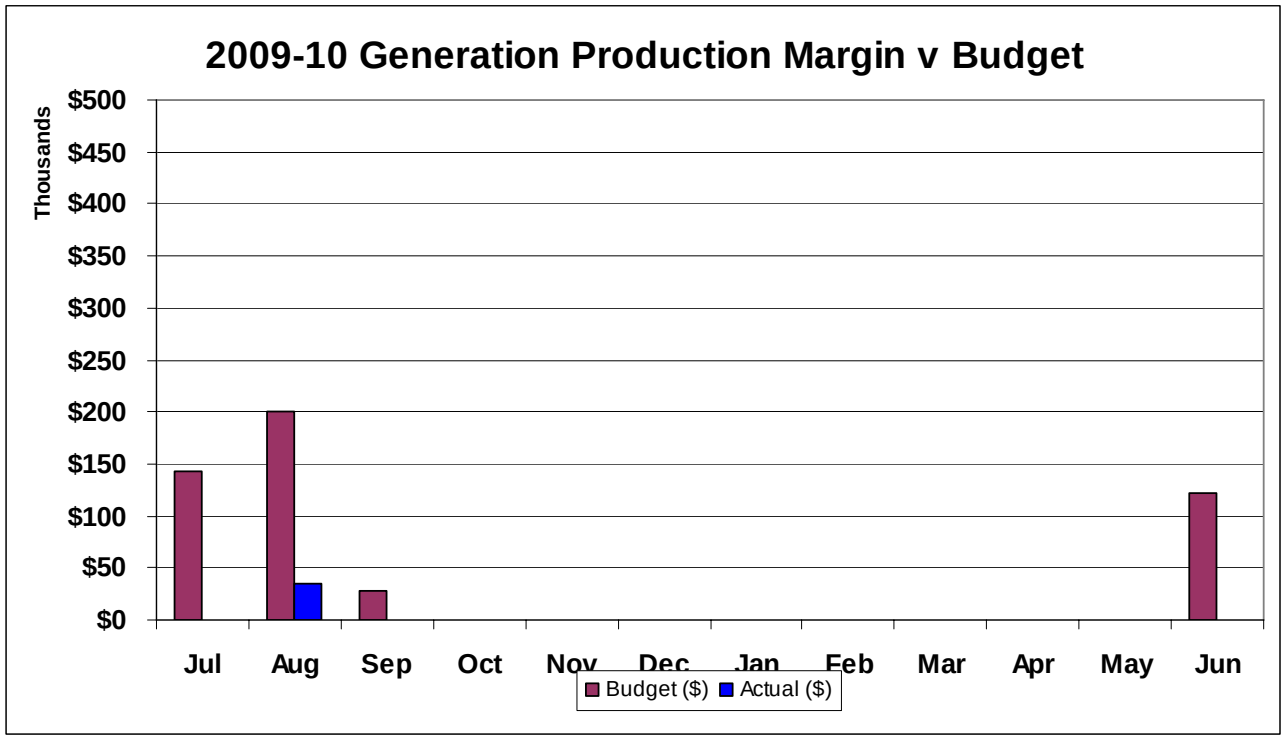
ALL in $/MWh load cost inclusive of Energy Manager Fees: $106.07/MWh

[3] Includes estimated Incentive Fees.

3.2 - GENERATION MANAGEMENT

- During the month, PJM did not dispatch Dover units into the market. The budget did not expect any generation for the month.




2009-10 Generation Production Margin v Budget
Thousands
$500
$450
$400
$350
$300
$250
$200
$150
$100
$50
$0
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Budget ($)
Actual ($)

Generation Management Variance Report

	Budget Oct-09	Actual Oct-09	Variance Oct-09
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	**0**	**1.7**	**1.7**
Total Capacity from Gen (MW)	**173.3**	**175**	**1.7**
Gen Capacity Sales to PJM ($/MW.d)	$191.32	$191.32	0
Incremental Auction Sales to PJM ($/MW.d)	$0.00	$86.00	$86.00
Power Sales			
Power Sales (MWh)	0	0	0
Sales Revenue ($ per MWh)	$0.00	$0.00	$0.00
Power Sales Revenue ($)	**$0.00**	**$0.00**	**$0.00**
Variable Fuel & Transport			
Fuel Oil No.2 Volume - McKee (gal)	0	0	0
Fuel Oil No.2 - McKee ($/gal)	$0.00	$0.00	$0.00
Fuel Oil No.2 Cost of Goods Sold - McKee ($)[4]	$0.00	$0.00	$0.00
Fuel Oil No.2 Volume - VanSant (gal)	0	0	0
Fuel Oil No.6 - VanSant ($/gal)	$0.00	$0.00	$0.00
Fuel Oil No.2 Cost of Goods Sold - VanSant ($)	$0.00	$0.00	$0.00
Gas Volume (Dth)	0	0	0
Unit Gas Price ($/Dth)	$0.00	$0.00	$0.00
Variable Gas Cost ($)	$0.00	$0.00	$0.00
Transport ($)	$0.00	$0.00	$0.00
Variable Gas and Transport Costs ($)	$0.00	$0.00	$0.00
Variable Fuel & Transport Costs ($)	**$0.00**	**$0.00**	**$0.00**
Testing	$0.00	$0.00	$0.00
Generation Production Margin	**$0.00**	**$0.00**	**$0.00**
Generation Capacity Payment			
Total - Generation Capacity Payment	**($1,032,361)**	**($1,032,361)**	**$0**

[4] Fuel oil consumed from testing of atomizing air compressor to be booked into Pollution Remediation CIP with total inventory cost of $15,375.66.

Generation Management Variance Analysis

Fuel Expense

- PJM did not dispatch Dover units into the market and it did not consume any fuel oil nor spot natural gas purchase related to the power generation.

Generation Production Margin		
Transaction	Volumes	Revenue/(Cost)
PJM Invoice for Power Sold	0 MWh's	$0
Fuel and Transport	0 dth gas/0 gal #6 oil 0 gal #2 oil	$0
Generation Production Margin	0 MWh's	$0

The following non-production energy revenues and costs are generally fixed and not directly related to generation dispatch and power production.

PJM Invoice (Black Start)	$5,487
Fuel Oil Tank Heating & Black Start Gas Supply	$0
Eastern Shore Demand Charge	($4,489)
Eastern Shore Transport and Imbalance Charge	$0
Transco Demand Charge	($3,722)
Non-Production Energy Revenue/Costs	($2,724)

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**

Do 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 fuel is no longer required. Some gas will still be required for winter heating of the building(s). Pace will still coordinate with NAES on the procurement of supply. However, this expense will now fall under the plant utility costs and be paid and budgeted for by the station.

Gas Transportation Purchased

Eastern Shore Natural Gas Pipeline and TransCo agreements provide for deliveries to the McKee Run and VanSant stations. These charges include a firm demand charge and adjustments as follows:

ESNG FT Demand Charge	$4,489
TransCo FT Demand Charge	$3,722
Total Purchases	$8,211

Other Gas Purchases

Commodity and transportation imbalances on Eastern Shore Pipeline for the month resulted in no charge and it is summarized as follows.

Eastern Shore Transport and Imbalance Charges			
Imbalance/dth	Estimated Cost/dth	Estimated Total Cost	
0	$0.00	$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 units nor Van Sant were dispatched into PJM. During the month McKee Run consumed fuel oil to test atomizing air compressor testing which are to be allocated into the Pollution Remediation CIP account.

Tank Inventory Estimates as of October 31			
Tank	Tank Capacity (gallon)	Inventory In (gallon)	Days of Burn (Typical Dispatch[5])
McKee Run (#2 Fuel Oil)	2,554,105	449,438	3
VanSant (#2 Fuel Oil)	258,000	94,219	3

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

3.3 - EMISSIONS AND ALLOWANCE MANAGEMENT

On November 5th, 2009 and November 6th, 2009, Dover agreed to sell 45 NO_X annual allowances at a price of $670 per allowance and 1,410 SO_2 allowances at a price of $81.00 per allowance. Additionally, Dover is still in the process of completing a contract for the sale of 25 NO_X seasonal allowances at a price of $110 per allowance. After deducting brokerage transaction fees, these transactions will net Dover $145,830 in revenue. Including the revenue generated from the October sale of 1,500 SO_2 allowances, Dover's total revenue for the 2009-2010 fiscal year is $274,080 (see exhibit 1). Dover's budgeted revenue for all allowance sales during the 2009-2010 fiscal year was $274,000. Provided the sale for the 25 NO_X seasonal allowances is completed as planned, Dover will have met their budgeted revenue requirements.

Dover has emitted 1 ton of SO_2, 6 tons of NO_X during the NO_X seasonal period, and 12 tons of NO_X Annual – these emissions levels remain unchanged from the previous monthly report. All units operated for testing purposes, and the appropriate allowance deductions are noted in the table below.

Exhibit 1: Emissions and Allowance Summary through October 30, 2009

2009-2010 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	Initial 2009 Allocation	2,723	--	--	51	76	--	--
9/29/09	SO_2 Sales	(1,500)	$86	$128,250				
9/30/09	2009 YTD Emissions[3]	1	--	--	5	11	--	--
Totals								
- 2007 Vintage Allowances		**308**	**--**	**$20,605.5**	**0**	**--**	**--**	**--**
- 2008 Vintage Allowances		**1,432**	**--**	**$107,644.5**	**0**	**--**	**--**	**--**
- 2009 Vintage Allowances		**2,722**	**--**	**--**	**46**	**65**	**--**	**$0**

	$0
	$128,250
Total Revenue	**$128,250**

Notes:

(1) Revenue calculations account for a $.50/ton broker fee for SO_2 and a $10/ton broker fee for NO_x.

(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.

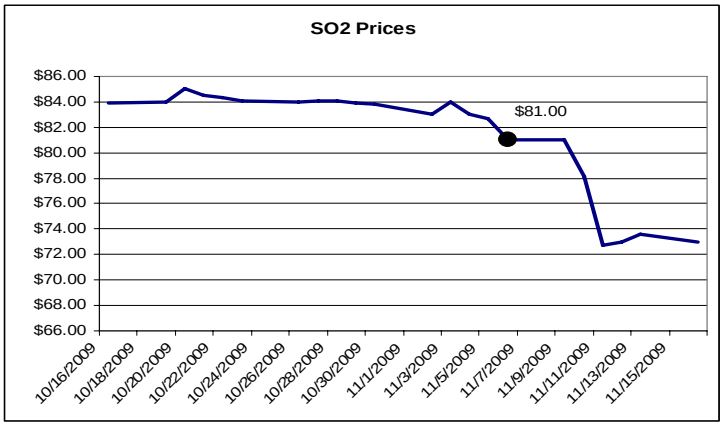
(3) The 2009 initial allowance allocation accounts for the reinstatement of CAIR while new SO_2 and NO_x emissions rules are completed. These allocations may changes as the rulemaking process continues.

SO_2

The SO_2 allowance market slumped during the last month with the most recent market closing price at $73/ton, down from the mid to low $80/ton range for much of September and October. Overall, SO_2 prices remain down as market participants await the release of the new CAIR rules. Sometime in 2010, EPA is expected to release re-promulgated CAIR rules in response to the DC Circuits remand of the original CAIR rules. Additionally, EPA is set to deliver new short-term standards for SO_2 due November 16, 2009.[6] EPA is expected to adopt a new one-hour national ambient air quality standard (NAAQS) in the range of 50-75 parts per billion (ppb). The NAAQS is currently a 24-hour daily maximum concentration of 140 ppb.

Regulatory uncertainty combined with continued low projected emissions for 2009 continue to drive PACE's belief that trading for SO_2 will be relatively flat for the remainder of the year, with prices likely to stay at or near current price levels. SO_2 prices fell over 10% over the last month in moderate to light trading, however Dover completed a sale for their SO_2 allowances before the market for SO_2 allowances dropped significantly in November (detail to be provided in November 2009 Monthly Report).

Figure 1 – SO_2 Prices since last monthly report



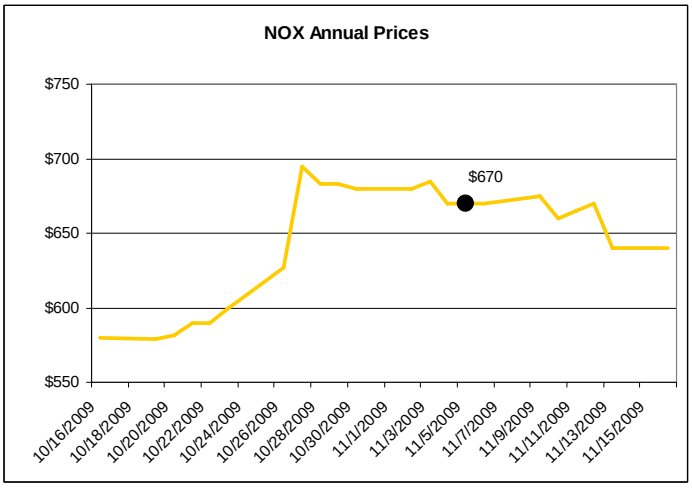
NO_x

Annual NO_x allowance prices fluctuated between $580/ton and $700/ton before closing most recently at $645/ton, up from $600/ton a month ago. Seasonal NO_X continued to slide, trading most recently at $107.50/ton down from $130.00/ton in mid-October.

As with the SO_2 market, the NO_X markets remain in flux as uncertainty surrounds future regulations as replacement rules for CAIR will likely not be released until mid-2010. Lower 2009 emissions, combined with better than expected emissions control installations (SCR, SNCR, low- NO_X burners, etc.) continue to limit the NO_X markets.

[6] The new EPA short-term rules for SO_2 have not yet been released as of the drafting of this memo.

Figure 2 – NO_X annual prices since last monthly report



SO_2 and NOx Outlook

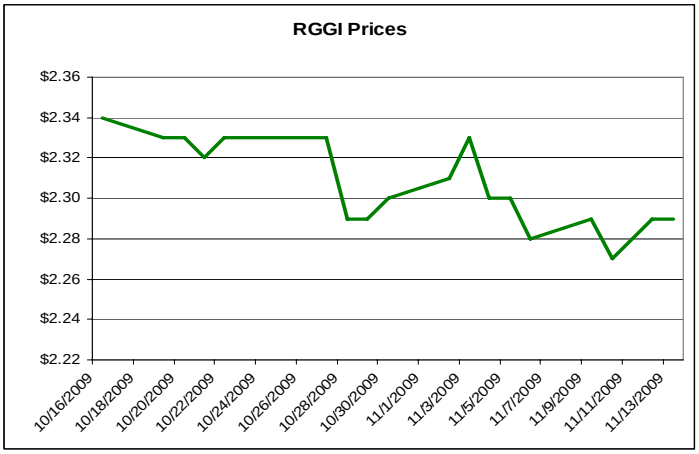
SO_2 and NO_X market participants continue to look to Washington D.C. for some regulatory certainty without any avail. While volume in both NOx and SO_2 were higher than in past months, activity is still tepid as market making clarity, in the form of regulation, is lacking. With health care, climate change and energy continuing to capitalize most of the attention in congress, it is unlikely that new legislation regulating these pollutants will take place any time soon. As such, EPA will continue to work towards re-promulgating the CAIR rules.

Pace continues to closely monitor the NO_x and SO_2 markets and will provide Dover with assessments of allowance allocations, liquidity, and value as information becomes available.

RGGI and Federal Carbon Outlook

RGGI market prices fluctuated between $2.28/ton and $2.34/ton, with the most recent trades at $2.29/ton. RGGI prices have remained fairly steady the last month and a half as market participants wait for the results of the December 2 allowance auction. RGGI prices are not expected to increase much, if at all, in the near term as 2009 U.S. CO_2 emissions projections continue to be below that of 2008 emissions. The over allocation of RGGI have led to a healthy allowance bank further pushing RGGI allowance prices down. Based on projected generation and emissions Dover is projected to have an excess of 70,000 allowances through 2013 with a market value at current prices of $160,300.

Figure 3 – RGGI prices since last monthly report



The conversion potential of RGGI allowances into federal allowance volume in a national carbon market remains the main support for RGGI pricing. Under both the House passed climate bill and Senate draft climate bill, RGGI allowances would be eligible for federal allowance exchange based on the average auction clearing price for the year the RGGI allowance was issued. For example, for 2009 vintage allowances, the average auction clearing price for this year's first three auctions is just under $3.00/ton. If in 2012, federal allowances were being auctioned for $12/ton, 2009 vintage RGGI allowances could be traded in at a ratio of 4:1 (4 RGGI allowances would equal 1 federal allowance).

Passage of comprehensive climate legislation continues to look less and less likely for 2009 as many issues remain unresolved and in debate including, allowance allocations, international trade provisions, and oversight of the carbon offset program. PACE continues to project passage of climate legislation between the end of this year and Q3 of 2011.

4.0 – OPERATIONS MANAGEMENT

Management Highlights

- During the month of October, there were no restricted work days or lost time accidents. The facility has now gone 277 days without an OSHA recordable accident and 1,916 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.

- During the month, there were no units dispatched at either McKee Run Generating Station or VanSant Generating Station.

- The installation of the Atomizing Air Compressor was completed along with the testing. Testing of the Air Atomization Air Compressor included the burning of #2 Fuel Oil to determine and to adjust the ramp rate of the boiler within acceptable limits.

- Work continued on the removal of the out of service railroad car unloading station piping.

- The Mark IV Controls Replacement project is in the bid evaluation process. It is expected that a selection will be made sometime in the next several weeks.

- The Capital Improvement Projects (CIP) were developed by plant staff and were submitted at the end of October for the City of Dover and Pace to review. The plant's budget is still under development and is still ongoing. The expected submittal to Pace for review will be in early November.

- The planned maintenance outages were completed on Units #1 & #2.

- Four people from the Operations group at the NAES facility at Benning Road in Washington, DC recently toured the McKee Run facility on a fact finding mission.

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

NAES Corporation
Dover, Delaware

October 2009
Monthly Report



Atomizing Air Compressor for Unit 3
(Used for Start Up of Unit 3 on #2 Fuel Oil)

Table of Contents

1.0 Environmental, Health and Safety

2.0 Financial

3.0 Operations

4.0 Maintenance

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7.0 Summary of NAES Performance

1.0 Environmental, Health and Safety:

During the month of October, there were no restricted work days or lost time accidents. The facility has now gone 277 days without an OSHA recordable accident and 1,916 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.

There were two Near Misses reported during the month. The first Near Miss was a failure to LOTO a roof top air conditioning unit while replacing a belt. The second Near Miss occurred when a plant employee ran into the side of the plant building with his personal vehicle.

Environmental, Health and Safety Statistics	Month (October 2009)	Fiscal Year to Date (7/1/09-6/30/10)
NOVs	0	0
Opacity Deviations	0	0
Environmental Deviations	0	2
OSHA Recordable	0	0
OSHA LTA's	0	0
First Aid cases	0	0
Restricted Workday Accident	0	0
Near Miss	2	2
Man Hours Worked	4,366.0	18,725.5
Date last OSHA Recordable		1/27/09
Date last Lost Time Accident		4/05/05
Days since last OSHA recordable		277
Days since last Lost Time Accident		1,916

Emissions (NOx & SO2) All data thru 10/31/09

NOx Summary - Year (May-Sept.)Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2008	1.01	0.96	17.0	1.28	20.25
2009	0.9	0.7	4.2	0.6	6.4
2010	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	0.0	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0	0.0

SO_2 Summary - Year (Jan.-Dec.)Tons					
Year	*Unit #1*	*Unit #2*	*Unit #3*	*Unit #11*	*TOTAL*
2007	6.28	5.31	97.69	0.28	109.56
2008	0.011	0.009	31.0	0.6	31.6
2009	0.0	0.0	0.1	0.2	0.3

Note: *Denoted data is as of 10/31/2009

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***		
2007	2317	2585	138	98	308
2008	1259	2585	138	32	1432
2009	0	2585	138	0	2723

Note: Denoted data is as of 10/31/2009

Note: 241 Tons of Vintage 2007 Allowances and 1259 Tons of 2008 Vintage Allowances were sold in September 2009

NO_x Allowances Summary					
NO_x Allowance Vintage	**NO_x Allowances Sold - YTD**	**NOx Allowances Available (Per Facility, Prior to Sale)**		**Total NOx Tons Emitted (NOx Season)**	**NO_x Allowances Balance**
		Unit #3	***Unit #11***		
2007	165	191	7	33	0
2008	178	191	7	20	0
2009	0	191	7	7	191
2010	0	191	7	0	198

Note: NOx Season is May 1 to September 30.

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)	***VanSant (Yr/Season)***		***McKee Run (Yr/Season)***	***VanSant (Yr/Season)***
2009	0	73/48	5/3	11/5	61/44	4/2
2010	0	71/46	5/3	0	71/46	5/3

Note *– CAIR legislation is pending revision

CO2 Allowances Summary*					
CO2 Allowance Vintage	**CO2 Allowances Sold YTD**	**CO2 Allowances Available (Per Facility, Prior to Sale)**		**Total CO2 Tons Emitted**	**CO2 Allowance Balance**
		McKee Run	***VanSant***		
2009	0	55,132	1,699	5,785	53,085
2010	0	47,844	1,636	0	49,480
2011	0	35,883	1,227	0	37,110
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 – October 2009			
	Actual	Budget	Variance
Personnel	235,227	234,584	(643)
Materials & Supplies	4,024	30,875	26,851
Administrative Expenses	110,160	147,231	37,071
Total	**$349,411**	**$412,690**	**$63,279**

Financial – Fiscal Year to Date

Number of Months – 4			
	Actual	Budget	Variance
Personnel	913,575	1,060,667	147,092
Materials & Supplies	23,947	109,100	85,153
Administrative Expenses	711,625	791,670	80,045
Total	**$1,649,147**	**$1,961,437**	**$312,290**

2.1 Variance analysis:

The original budget for October is $412,690. The actual expenses for October are $349,411 for a favorable variance of $63,279 or approximately 1.09%. The variance was due to the following:

PERSONNEL EXPENSES - Labor, overtime, and burdens accounted for a total unfavorable variance of $643 due primarily to filling shifts due to illness or flex time which offset the savings realized from not filling the open position at this time.

MATERIALS AND SUPPLIES EXPENSES- A favorable variance of $26,851 was due to no generation in September and October resulting in lower water costs than originally budgeted. Money allocated in October for the purchase of water chemicals was not incurred due to the present inventory at the plant.

ADMINISTRATIVE EXPENSES – A favorable variance of $37,071 was due largely to timing of expenses in the insurance account. The funds budgeted for October were included in the payment made in July. In addition, electric costs were less than anticipated due to the no generation in October. Home Office Labor costs were lower than budgeted.

With four months of actual costs expensed, the plant budget is currently forecasted to finish this fiscal year at $5,574,213 expensed versus $5,798,711 budgeted putting the budget at a 96.13% rate.

3.0 Operations

Unit Operations / Outages / Trips

During the month, there were no units dispatched at either McKee Run Generating Station or VanSant Generating Station. Testing of the Air Atomization Air Compressor was conducted which included the burning of #2 Fuel Oil to determine and to adjust the ramp rate of the boiler within acceptable limits.

Month – October 2009							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	VanSant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	0.00	0.00	0.00	0.00	0.00	0.00
Starts	#	0	0	0	0	0	0
Gross Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Net Generation	MWh	0.0	0.0	0.0	0.0	0.0	0.0
Total Auxiliaries	MWh	24.839	24.839	147.492	197.169	2.248	199.417
Auxiliaries purchased	MWh	24.839	24.839	147.492	197.169	2.248	199.417
Fuel Gas Used	MMBTU	0.0	0.0	0.0	0.0	0.0	0.0
Fuel Oil Used	MMBTU	0.0	0.0	1,272	1,272	0.0	1,272
Fuel Oil Used	Gallons	0.0	0.0	8,402*	8,402*	0.0	8,402*
Total Fuel	MMBTU	0.0	0.0	1,272	1,272	0.0	1,272
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	%	85.95	89.15	100.00	93.78	100.00	97.77
Commercial Unavailability (CU)	%	0	0	0	0	0	0
Planned Outage Hours	Hours	104.500	80.750	0	185.250	0	185.250
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
Reserve Shutdown Hours	Hours	639.500	663.250	744.000	2,046.750	744.000	2,790.750
HW Boiler Gas Usage	MMBTU				0		0
Pilot Gas Usage	MMBTU	0	0		0		0

 # Note: Does not include HWB or Pilot Gas. Fuel usage numbers are taken from fuel flow instruments
*** Note- Fuel was used during start up testing of Unit 3 using the new Atomizing Air Compressor**

2009-2010 Fiscal Year-to-Date (4 Months)							
		McKee Unit 1	McKee Unit 2	McKee Unit 3	MRS Facility	VanSant Unit 11	Total All Units
Capacity	MW	17	17	102	136	39	175
On Line Hours	Hrs	0.0	0.0	19.133	19.133	6.750	25.883
Starts	#	0.0	0.0	2	2	2	4
Gross Generation	MWh	0.0	0.0	1,096.836	1,096.836	200.929	1,297.765
Net Generation	MWh	0.0	0.0	1,001.557	1,001.557	200.788	1,202.345
Total Auxiliaries	MWh	84.049	84.049	705.359	873.457	5.942	879.399
Auxiliaries purchased	MWh	84.049	84.049	610.080	778.178	5.801	783.979
Fuel Gas Used	MMBTU	0.0	0.0	12,111	12,111	2,715	14,826
Fuel Oil Used	MMBTU	0.0	0.0	1,272	1,272	0.0	1,272
Fuel Oil Used	Gallons	0.0	0.0	8,402*	8,402*	0.0	8,402*
Total Fuel	MMBTU	0.0	0.0	13,383	13,383	2,715	16,098
Net Heat Rate	BTU/KWh	0.0	0.0	12,092	12,092	13,521	25,613
Unit Trips	#	0	0	0	0	0	0
Capacity Factor	%	0.0	0.0	1.45	1.45	0.69	1.08
Availability Factor	%	85.95	89.15	100.00	93.78	100.00	97.77
Commercial Unavailability (CU)	%	0	0	0	0	0	0
Planned Outage Hours	Hours	104.500	80.750	0	185.250	0	185.250
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
Reserve Shutdown Hours	Hours	2,874.500	2,871.250	2,932.867	8,678.617	2,945.250	9,422.617
HW Boiler Gas Usage	MMBTU				0		0
Pilot Gas Usage	MMBTU	0	0		0		0

*** Note- 8,402 gallons of #2 Fuel was used during start up testing of Unit 3 using Atomizing Air Compressor**

VanSant Lifetime through 10/31/09			
	Actual Starts	Factored Starts	Fired Hours
VanSant	1195	2017.75	3,941.50
Since HGP - Dec 2004	146	350.05	557.878

Fuel Oil Inventory							
	Monthly Inventory (Start)	Monthly Inventory (End)	Fuel Purchases (Month)	Monthly Inventory (Change)	FY 09-10 Inventory (Start)	Fuel Purchases (YTD)	FY 09-10 Inventory (Change)
McKee Run (#2 Fuel Oil)	452,963	449,438	0	3,525	337,519	123,045	111,919
VanSant (#2 Fuel Oil)	94,304	94,219	0	85	94,388	0	84

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

Capacity Testing – FY 2009-2010					
Summer 2009 (June 1- Aug 31)			**Winter 2009-2010 (Dec 1- Mar 1)**		
Unit	Rated Net Capability (MW)	Reported Net Capability (MW)	Unit	Rated Net Capability (MW)	Reported Net Capability (MW)
1	17	17.24	1	17	*
2	17	17.59	2	17	*
3	102	102.00	3	102	*
VanSant	39	40.30	11	39	*
Total	175	177.13	Total	175	0.0

Note: * depicts a unit that has not completed capacity test for the PJM Demonstration Period in FY 2009-2010.

Team Report:

The Operation teams completed testing the new air atomizing compressor for use on Unit #3 during start up when natural gas is too expensive or unavailable. The unit has a designated burner with a dedicated oil gun tip just for start up on the unit so the plant is not dependent on natural gas as well as providing substantial savings by not having the expense of paying for firm prices for gas. There were three days of testing in which adjustments to the air pressures, oil pressure and burner scanners achieved the proper boiler temperature ramp rate. The final test included ramping the boiler up until sufficient steam was available to atomize the fuel oil and continue with ramping up the boiler to a state that the turbine-generator could be rolled up for eventual synchronization to the grid. A procedure has been written and will be implemented.

The operation teams continue to work with maintenance removing all the non-asbestos insulation and lagging from the abandoned oil lines and hot water lines from the railroad car unloading station to the truck unloading station at McKee Run. The teams are also removing the non-asbestos insulation and lagging from the now abandoned hot water lines used to heat the #6 oil from the main building to the truck unloading station. Once the insulation is removed, the pipeline is then properly drained, cut into smaller sections, placed into a collection dumpster and then sold as scrap.

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.

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. GPI also has a number of courses that are used to support operator advancement and refresher training.

4.0 Maintenance

During the month of October, plant maintenance staff continued addressing the backlog of work orders. Sixty-two work orders were issued during the month, with fifty-seven work orders being completed during the month.

The table below summarizes the monthly work order activities.

Work Order Report

October - 09

Priority #	Outstanding From Previous Months	Issued This Month	Completed This Month	Outstanding at the end of the month
P1	0	0	0	0
P2	1	1	1	1*
P3	4	13	13	4
P4	13	17	9	21
P5	26	2	8	20
P6	0	0	0	0
P7	18	0	3	15
P8	14	0	0	14
P9	11	2	0	13
P6 - 1	0	0	0	0
P6 - 2	0	0	0	0
P6 - 3	1	1	2	0
P6 – 4	0	0	0	0
P6 – 5	0	0	0	0
P6 – 6	0	0	0	0
P6 – 7	0	0	0	0
P6 - 8	0	0	0	0
PM	10	26	21	15
Totals	98	62	57	103

Note: PM's are included in the priority totals
***VIM working on VanSant CEMS program problem.**

Notable activities during the month include:

1) Work continued on the removal of the out of service railroad car unloading station piping. Maintenance staff, along with Operations staff, has been removing insulation, lagging and piping from the railcar unloading area to the truck unloading station. There is still some work remaining on the project that is expected to be completed within the next several months.

2) The McKee Run Operations Staff started the demineralizer regeneration process and soon realized that more acid and caustic pump lines were blocked with product. Maintenance staff removed lines and flushed lines to eliminate material buildup. Lines were placed back in service and the regeneration process completed.

3) All the maintenance staff worked on completing preventative maintenance on Units 1 and 2. During the weeks of October 5th and 12th, the maintenance staff opened boiler, turbine and condenser doors that allowed for the completion of a number of inspections. Findings from the inspections included worn air heater top guide bearings, duct work air in leakage, damaged air heaters seals on Unit 2, damaged air heater soot blower housing on Unit 2 and one expansion joint on Unit 2 that will be replaced at a later date. Repairs were made to both units and the outages cleared, resulting in no risk to generation.

4) The Maintenance staff, Mr. Vince Scire and Mr. Ken Beard inspected each boiler and duct work. Included in the inspection was an assessment of the tasks and designs needed for the removal of the multicyclone equipment and other duct work modifications.

5) The I, C, & E Technicians inspected, cleaned and meggered breakers, motors and control cabinets. Inspected and made calibration corrections to the ID/FD fan dampers.

6) Completed State of Delaware required mass flow calibrations on Units 1, 2, and 3 fuel oil and gas flow measuring devices.

7) Completed one safety related work order for removal and installation of defective emergency lighting in the VanSant DI building.

5.0 Capital Improvement Projects (CIP)

Project Number	Description	Update
EG0801	MR Fire Protection System Upgrades	**Progress: Project deferred to 2009 to investigate an alternative technical approach. Quotes are due 11/13/09. After analysis and bid clarification, a vendor will be selected.** **Schedule: Quotes are due 11/13/09. Plant staff will then get bid clarification and will perform an analysis of the bids. Installation now projected to be early 2010.**
EG0804	MR Pollution Remediation Equipment	**Progress: Change out of fuel oil equipment has been completed. Units 1, 2 and 3 have successfully made the conversion and successfully completed a Winter Period Capacity Test. The plant received letters (2) from the DNREC. The first letter provided the NOx emission rates for Units 1, 2 and 3. The second letter provided concurrence from the DNREC that the multicyclones were not a pollution control device and that they could be removed from the operating permit once the plant submits the necessary forms. Schedule: Additional testing & tuning needed to optimize Unit 3 operation will be done as opportunities arise with dispatch by PJM. The plant has contracted with a vendor to put the documentation together for plant review and submission. This is expected to be completed by the end of November. Once submitted, it could be several months before the administrative amendments are made in the Title V Permit. The plant did receive verbal notice form the DNREC that the plant is no longer subject to Del. Reg. 1146.**
EG0904	MR & VS Arc Flash Analysis	**Progress: The Plant has awarded the bids for the arc flash relay and breaker work to reduce arc flash exposure levels. The total work could last as long as twelve weeks putting the work out to the first of next year.** **Schedule: There are three separate tasks; relay work, replacement of breakers and the modifications of several breakers. Completion of all of these tasks should by March 2010.**
EG1001	VanSant Mark IV Controls Upgrade	**Progress: The project is in the bid evaluation process. Due to the number of bids and options provided by the various vendors it is a somewhat tedious process. It is expected that a recommendation will be made to Pace Global and the COD by the middle of November in time for inclusion on the COD council meeting agenda for late November.** **Schedule: Engineering, design and procurement to follow**

		with installation and testing of system in addition to operational testing of the system in May 2010.
EG1002	**McKee Run Plant Paving**	**Progress: Task statement and work scope is being developed for distribution in late 2009. The start date for the actual work is being delayed in part because of the COD water line project that is currently in the planning/implementation stage which will require tearing up part of the plant roadways during the new water line installation phase. Schedule: Working with the City of Dover to combine this work with other COD paving project work in time for a Spring 2010 completion once the COD water line project at McKee Run has been completed.**
EG1003	**Miscellaneous Capital Equipment Replacements**	**Progress: This project is for the unexpected needs that may occur during a budget year that were unexpected due to equipment failure for example. Schedule: The funding is in place and, to date, items requiring replacement include the cooling water pump motor at VanSant.**
EG1004	**McKee Run Warehouse & Administration Building Fire Protection**	**Progress: The bids are due on November 13th for fire protection system for the turbine and the warehouse. Schedule: Work is projected to be completed in early 2010.**
EG1005	**Computerized Maintenance Management System**	**Progress: The bid advertisement was been placed in the newspapers in October and is running for three weeks. A pre-bid meeting will be held after which bids will be submitted sometime thereafter.** **Schedule: This project should be completed by early 2010.**
EG 1006	**Unit #3 Boiler Cyclone Separator Removal**	**Progress: Discussions have been held to finalize project scope with consideration of the plant craft doing the removal.** **Schedule: The project should be completed by early 2010.**
EG 1007	**Unit #2 Boiler Cyclone Separator Removal**	**Progress: Discussions have been held to finalize the project scope with consideration of the plant craft doing the removal.** **Schedule: The project should be completed by early 2010.**
EG 1008	**Unit #1 Boiler Cyclone Separator Removal**	**Progress: Discussions have been held to finalize the project scope with consideration of the plant craft doing the removal.** **Schedule: The project should be completed by early 2010.**

5.1 CIP Budget

Project Number	Description	Original Budget ($ X 1000)	Latest Estimate ($ X 1000)
EG0801	MR Fire Protection System Upgrades	50	50
EG0804	MR Pollution Remediation Equipment	3800	3267**
EG0904	MR & VS Arc Flash Analysis Phase II	125	75*
EG1001	VanSant Mark IV Controls Upgrade	700	700
EG1002	McKee Run Plant Paving	240	240
EG1003	Miscellaneous Capital Equipment Replacements	51	51
EG1004	McKee Run Warehouse & Administration Building Fire Protection	55	55
EG 1005	Computerized Maintenance Management System	85	85
EG 1006	Unit #3 Boiler Cyclone Separator Removal	51	51
EG 1007	Unit #2 Boiler Cyclone Separator Removal	36	36
EG 1008	Unit #1 Boiler Cyclone Separator Removal	36	36

* $50K removed and put into O&M budget - $41K was actual Phase I cost. The remaining $75K was put into the 2010 O&M budget
**Includes latest projection for fuel usage for testing and money received for generation during testing

The costs for the McKee Run Pollution Remediation Project, EG0804, for the month of October were $102,248.28. The costs to date are $2,789,442.40.

6.0 General Plant Information

Training

Plant employees continue working on their General Physics topics during the month. The inclusion of these courses has provided opportunities for increased knowledge of plant operations, to satisfy OSHA and PJM requirements, and to build a solid foundation for cross training employees at the City of Dover generation facilities. Many of these courses are included in the Employee Qualification program that will help prepare operators for advancement within the line of progression jobs.

The PJM Generation Systems Operator exam study groups continue again for the month with different study topics. The study group focuses on subjects that are covered on the exam such as Emergency procedures. The class topics have been Weather and Environmental Emergencies and Sabotage and Terrorism Emergencies.

Topics discussed during the monthly safety committee meeting were reviewed by the entire staff. There was information provided on the H1N1 virus. This month's safety topic was "Work Related Stress".

Other Events

The cooling tower project has been tentatively approved. Repairs slated for the current fiscal year will be expensed out of the current O & M Budget. Subsequent years funding will come from the Capital Improvement Projects (CIP) budget. Repairs will be addressed over a three year period which provides improved reliability and efficiency to both cooling towers.

The Mark IV Controls Replacement project is in the bid evaluation process. Due to the number of bids and options provided by the various vendors it is a somewhat tedious process. It is expected that a selection will be made sometime in the next several weeks.

The Capital Improvement Projects (CIP) were developed by plant staff and were submitted at the end of October for the City of Dover and Pace to review. The plant's budget is still under development and is still ongoing. The expected submittal to Pace for review will be in early November.

The planned maintenance outages were completed on Units #1 & #2. The Unit 1 outage was 104.50 hours and the Unit 2 outage was 80.750 hours. The inspections went well with some recommendations for future more detailed work. During the outage plant personnel had a chance to look at the multicyclone separators to better plan for their removal. The projects are Capital Improvement Projects (CIP) for each unit in this fiscal year. The plant had also recently received official confirmation letters from DNREC which specified the NOx emission rates for Units 1, 2 and 3 and in a separate letter agreed with the plant's request to remove the multicyclones. The multicyclone letter also provided information regarding what submittals to the DNREC will be needed that will allow for a permanent removal as well as removal from the Administrative portion

of the Title V Operating Permit. The NOx emission limits for Units 1 & 2 will be 0.300 lb/mmbtu and for Unit 3 the limit will be 0.308 lb/mmbtu. These are both average rates for the 24-hour period/one calendar day.

The installation of the Atomizing Air Compressor was completed along with the testing. Testing was done by putting A-3 oil burner using a start-up burner tip designed to bring the boiler up on temperature within limits not to over-fire the boiler. The boiler was brought up to temperature and pressure to switch over to the atomizing steam oil gun. This equipment allows for the plant to become independent of the natural gas supply which normally is extremely difficult to acquire during the winter mornings when the commercial and residential demand is high. This project has the potential to save approximately $250,000 a year on a firm gas contract. Testing for start-up of Units 1 & 2 will occur in November once the new start-up tips arrive. The burners on Units 1 and 2 utilize mechanical atomization of the oil for the combustion process.

Four people from the Operations group at the NAES facility at Benning Road in Washington, DC recently toured the McKee Run facility on a fact finding mission. The reason for the tour is that the Benning Road plant may have to start burning #2 fuel oil. At the present time, they are burning #4 fuel oil and wanted to see how we are operating since McKee Run converted to #2 fuel oil and to find out if we had any major problems with equipment or operation, as well as understand our "Lessons Learned" from the project.

Calendar of Events	*Date*
NOx Ozone Season Ends	September 30, 2009
Winter Capacity Period	December 1, 2009 to February 28, 2010
#1 Unit Annual Inspection	October 5 to October 11, 2009
#2 Unit Annual Inspection	October 12 to October 18, 2009
One Year Accident Free Target	January 27, 2010
McKee Run and VanSant Title V Annual Certification Due	February 1, 2010
SO2 Emissions Reconciliation Due	February 28, 2010
SARA III Report	March 1, 2010
Annual VanSant Black Start Test	March 15, 2010
#3 Unit Annual Inspection	March 9 to May 3, 2010
EIA-923 Report	April 15, 2010
NOx Ozone Season Starts	May 1, 2010
Fiscal Year 2009-20010 Ends	June 30, 2010
IBEW Contract Expires	June 30, 2010
McKee Run and VanSant Title V Semi-Annual Certification Due	August 1, 2010

7.0 Summary of NAES Performance to Date

Plant Performance FY 2009-2010						
Measure	**Month**		**Year to Date**		**YTD Incentive**	**FY Maximum Incentive**
Commercial Unavailability (CU)	0%		0%		$88,611	$88,611
Safety	0		0		$16,614	$16,614
Environmental	0		0		$16,614	$16,614
Capacity Tests Completed	Summer	Winter	Summer	Winter		
Unit 1	No	No	Yes	No	$1,662	$3,323
Unit 2	No	No	Yes	No	$1,662	$3,323
Unit 3	No	No	Yes	No	$9,969	$19,938
Unit 11	No	No	Yes	No	$3,323	$6,646
Total YTD Incentive %	89.29%		***Total YTD Incentive***		$138,454	$155,069

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	($197,179.14)	($197,179.14)
Realtime Energy	$0.00	$5,053.63	$5,053.63
Transmission Losses Credits	$0.00	$29,254.17	$29,254.17
Network Integration Transmission Service Charges	$0.00	($216,216.94)	($216,216.94)
Inadvertent Interchange Charges	$0.00	$1,070.13	$1,070.13
Regulation Charges	$0.00	($15,473.81)	($15,473.81)
Synchronized Reserve Charges	$0.00	($9,952.81)	($9,952.81)
Balancing Operating Reserves Charges	$0.00	($1,513.24)	($1,513.24)
Day Ahead Operating Reserves Charges	$0.00	($6,595.64)	($6,595.64)
Day-ahead Scheduling Reserve	$0.00	($117.01)	($117.01)
Synchronous Condensing Charges	$0.00	$0.00	$0.00
Reactive Services Charges	$0.00	($9,181.49)	($9,181.49)
Meter Correction Charges	$0.00	$73.45	$73.45
Day-ahead Economic Load Response Program Charges	$0.00	$0.00	$0.00
Real-time Economic Load Response Program Charges	$0.00	$0.00	$0.00
Balancing Operating Reserves Credits	$0.00	$0.00	$0.00
Day Ahead Operating Reserves Credits	$0.00	$0.00	$0.00
Locational Reliability Charges	$0.00	($1,171,334.69)	($1,171,334.69)
Capacity Transfer Rights Credits	$0.00	$16,801.07	$16,801.07
Capacity Resource Deficiency Credits	$0.00	$6.64	$6.64
Demand Response and ILR Compliance Penalty Credits	$0.00	$0.00	$0.00
RPM Auction Credits	$1,032,360.76	$0.00	$1,032,360.76
Auction Revenue Rights Credits	$0.00	$52,183.23	$52,183.23
Synchronized Reserve Credits	$0.00	$0.00	$0.00
PJM Scheduling System Control and Dispatch Service Charges	$0.00	($3,700.50)	($3,700.50)
Transmission Owner Scheduling System Control and Dispatch Service Charges	$0.00	($4,301.09)	($4,301.09)
Reactive Supply and Voltage Control from Generation Sources Service Charges	$0.00	($26,574.84)	($26,574.84)
Black Start Service Charges	$0.00	($1,291.98)	($1,291.98)
North American Electric Reliability Corporation (NERC) Charge	$0.00	($393.64)	($393.64)
Reliability First Corporation (RFC) Charges	$0.00	($503.62)	($503.62)
Expansion Cost Recovery Charges	$0.00	($431.52)	($431.52)
Transmission Enhancement Charges	$0.00	($5,759.60)	($5,759.60)
Black Start Service Credits	$5,486.77	$0.00	$5,486.77
Non-Firm Point-to-Point Transmission Service Credits	$0.00	$1,106.18	$1,106.18
Generation Deactivation	$0.00	$0.00	$0.00
Market Monitoring Unit (MMU) Funding	$0.00	($312.12)	($312.12)
Organization of PJM States, Inc. (OPSI) Funding	$0.00	($36.50)	($36.50)
FERC Annual Recovery	$0.00	($3,230.14)	($3,230.14)
DPL Settlement B	$0.00	$0.00	$0.00
PPA	$0.00	$1,549.74	$1,549.74
	$1,037,847.53	**($1,567,002.08)**	**($529,154.55)**

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	**81,189**	**71,704**	**$93.76**	**$93.11**	**$93.11**	**$99.69**	**$102.69**	**$102.69**
Aug	**82,798**	**78,462**	**$94.09**	**$88.18**	**$90.53**	**$101.24**	**$93.72**	**$98.00**
Sep	**67,000**	**60,040**	**$93.03**	**$90.91**	**$90.64**	**$99.53**	**$97.30**	**$97.80**
Oct	**61,170**	**56,994**	**$89.63**	**$85.82**	**$89.61**	**$98.32**	**$94.14**	**$97.02**
Nov	**58,037**		$89.30			$98.74		
Dec	**59,534**		$89.46			$99.70		
Jan	**64,805**		$92.14			$100.84		
Feb	**63,547**		$91.38			$97.04		
Mar	**58,753**		$90.80			$99.03		
Apr	**56,824**		$92.10			$101.53		
May	**62,655**		$91.96			$99.69		
Jun	**72,496**		$94.17			$105.37		

III. GLOSSARY

All In Unit Energy Cost ("AIE") 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 capcity 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.