A RESOLUTION PROPOSING THE INCLUSION OF AN AREA WITHIN THE LIMITS OF THE CITY OF DOVER AND CALLING FOR A SPECIAL ELECTION TO BE HELD IN THE SAID AREA.

WHEREAS, the Charter of the City of Dover authorizes Council to extend the boundaries of the said City after a special election of the qualified voters and real estate owners of the territory proposed to be annexed, and

WHEREAS, the Mayor and Council of the City of Dover deem it in the best interest of the City of Dover to include properties located at **1044 and 1050 South State Street**, which is contiguous to the present City limits, into the limits of the City of Dover and within a zoning classification as recommended by the City of Dover Planning Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

1. That a special election be held for properties located at **1044 and 1050 South State Street** situated in East Dover Hundred, Kent County, State of Delaware.

2. That the election be held on the **15th** day of **February, 2007** commencing at the hours of 11:00 a.m. in the City Hall Annex, 15 E. Loockerman Street, Dover, Delaware, for the purpose of submitting the question of annexation of the above area to those persons entitled to vote thereon.

3. That the election be held and conducted pursuant to the provisions of the Charter of the City of Dover as amended.

4. That this resolution be published in accordance with the City of Dover Charter.

ADOPTED: *

DRAFT ~ For Discussion Purposes Only



MUNICIPAL UTILITIES'

Green Energy Fund Program

Effective:
January 1, 2007



Encouraging and Promoting
Renewable Energy Technologies & Energy Efficiencies

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1.0 Purpose

Delaware's Renewable Energy Portfolio Standards encourages and promotes the use of electricity from renewable energy resources, the use of energy efficiency technologies, and renewable energy technologies.

The purpose of this policy is to prescribe procedures relating to the Municipal's Green Energy Fund, which is an independent, self-administered fund separate from the state's Green Energy Fund, pursuant to 26 Del. C. Chapter 1, Subchapter III-A, §363 the Delaware Renewable Energy Portfolio Standards. It is the goal in establishing this policy to provide a streamlined procedure for distributing the municipal's Green Energy Funds.

This policy provides rules of practice and procedure for application and disbursement of Municipal Green Energy Fund grants for renewable energy projects in Delaware.

2.0 Definitions

For purposes of this regulation, the following words and phrases shall have the meanings set forth below.

"DEMEC" means the Delaware Municipal Electric Corporation, Incorporated.

"Department" means the Department of Natural Resources & Environmental Control, the Delaware Energy Office, or such other agents as the department or Secretary may designate.

DEMEC Members include the towns and cities of Clayton, Middletown, Smyrna, Newark, New Castle, Seaford, Milford, Dover and Lewes.

"DEMEC Member Service Territory" means the service territory of DEMEC members, as such territory is reflected in the electric service territory maps maintained by the Delaware Public Service Commission under the authority of 26 Del. C. § 203B.

Energy Efficiency refers to products or systems aimed at using less energy to do the same or better job than conventional products or systems.

"Freeze Tolerance Limit" means the temperature below which a Qualifying System for Solar Water Heating might suffer damage attributable to freezing.

"Fuel Cell" is an electrochemical energy conversion device which converts the chemical energy from a fuel directly into electricity and heat.

"Geothermal Heat Pump" means either an open or closed loop system or direct expansion system that uses the thermal energy of the ground or groundwater as the heat source and heat sink for residential or non-residential space heating and/or cooling. It may provide both space heating and cooling, cooling only or heating only functions. A closed loop system consists of a ground heat exchanger in which the heat transfer fluid is permanently contained in a closed system. An open loop system consists of a ground heat exchanger in which the heat transfer fluid is part of a

larger environment. A direct expansion system consists of a geothermal heat pump system in which the refrigerant is circulated in pipes buried in the ground, rather than using a heat transfer fluid, such as water or antifreeze solution in a separate closed loop, and fluid to refrigerant heat exchanger.

"Grid-connected", "Grid-tied" or "Interconnected" means a condition in which a Qualifying System that is an electrical generating system serves and is electrically connected to an electrical load that is also connected to and served by the local utility electrical grid. The delivery or ability to deliver, any portion of the generating capacity into the utility electrical grid is not required, nor must the loads served be only alternating current loads. The Photovoltaic or Wind Turbine systems need only to be capable of serving electrical loads that would otherwise be served by the local utility.

"Kilowatt" means 1,000 Watts.

"Kilowatt-hour" means the basic unit of electric energy equal to one Kilowatt of power supplied to or taken from an electric circuit steadily for one hour. One-Kilowatt hour equals 1,000 Watt-hours. Electric energy is commonly sold by the Kilowatt-hour.

"Municipals" mean the nine DEMEC members including the towns and cities of Clayton, Middletown, Smyrna, Newark, New Castle, Seaford, Milford, Dover and Lewes.

"Municipal Green Energy Fund" means the fund established by 26 Del. C. 1, Subchapter 3A § 363 and administered by DEMEC.

"Nonresidential" means all classes of customer purchasing electric power for uses other than for individual households. These groups of customers generally purchase electric power for commercial and industrial purposes. When used as an adjective with respect to Qualified Systems or Green Energy Program Grants, such term refers to systems owned by, or leased to, or grants awarded to Nonresidential persons.

"Participating Contractor" An appropriately Delaware and local jurisdictional licensed contractor who has submitted to the Department an application designated by the Department with all required attachments and maintains in full force all required insurance and warranties as described in Section 5.6.

"Passive Solar Design" A residential or non-residential building design that uses no external mechanical power, such as pumps or blowers, to collect and move solar heat.

"Photovoltaic" means a non-mechanical semiconductor device, most commonly made of silicon that produces direct current (dc) electricity from sunlight.

"Placed in Service" means installed, operational, and producing output.

"Professional Engineer" means "engineer", as defined in Title 24 Del. C., Chapter 28, *Professional Engineers*, namely, a person who by reason of his or her advanced knowledge of mathematics and the physical sciences, acquired by professional education and practical

experience, is technically and legally qualified to practice Professional Engineering, and who is licensed by the Delaware Association of Professional Engineers.

"Purchaser" means the purchaser or lessee of a Qualifying System.

"Qualifying System" has the meaning as set forth in Section 4.0.

"Renewable Energy Technology" shall have the meaning as prescribed in 29 Del. C. Chapter 80.

"Renewable Fuel" means a non-nuclear fuel that can be derived from non-fossil energy sources that are naturally replenishing and virtually inexhaustible.

"Residential" means the class or classes of customers purchasing electric power for household uses. When used as an adjective with respect to Qualified Systems or Green Energy Program Grants, such term refers to systems owned by, or leased to, or grants awarded to Residential persons.

"Retailer" means the vendor or lessor of a Qualifying System.

"Secretary" means the Secretary of the Department of Natural Resources and Environmental Control.

"Solar Pathfinder™" is a non-electronic instrument that measures the annual solar potential for a given site.

"Solar Shade Analysis" means an on site evaluation using a Solar Pathfinder™ or functionally equivalent device that measures the annual solar potential for the given site.

"Solar Water Heating" means the heating of water by use of the sun's energy rather than electricity or gas or some other means.

"State" means the State of Delaware.

"Ton of Capacity" means 12,000 British Thermal Units (BTU) per hour of capacity.

"Watt" means the basic unit of measure of real electric power, or rate of doing work.

"Watt-hour" means the basic unit of measure of electric energy consumption. The total amount of energy used in one hour by a device that requires one Watt of power for continuous operation.

"Wind Turbine" means a mechanical/electrical system that converts the kinetic energy of blowing wind into mechanical or electric power.

3.0 Municipal Green Energy Fund

The Delaware 143rd General Assembly enacted and Governor Minner signed into law Senate Bill

74, which amended Title 26 of the Delaware Code to include a new subchapter creating Renewable Energy Portfolio Standards. The law includes provisions for municipal electric utilities to establish an independent, self-administered fund to support renewable energy technologies, energy efficiency technologies, or demand side management programs. Programs may receive preference due to system benefits.

The programs are described in full in this regulation and include the following:

Municipal Green Energy Program
Energy Efficiency Program
Voluntary Green Energy Purchase Program

4.0 Municipal Green Energy Program

4.1 General Provisions

Funding is limited; all grants made under the Municipal Green Energy Program are on a first-come first-served basis and may receive preference due to system benefits. Under no circumstances will DEMEC or the Department issue grants for land acquisition in association with any project proposed in the Municipal Green Energy Program.

4.2 Eligibility

The Municipal Green Energy Program is available to electric customers which are contributing to the Municipal Green Energy Fund. All eligible equipment and products must be installed in Delaware and used solely for the energy requirements of the municipal utility customers.

4.3 Grant Reservation Request

Customers and contractors applying for any grant must provide the following information to the Department prior to installing the system:

- 4.3.1 Completed Grant Reservation Form signed by both customer and contractor
- 4.3.2 The type of qualifying system
- 4.3.3 Copy of project estimate, purchase order, or letter of intent
- 4.3.4 Copy of the customer's recent municipal electric bill which is contributing to the Municipal Green Energy Fund
- 4.3.5 System schematic or line drawing
- 4.3.6 Plot plan illustrating well, turbine, or module location (wind and geothermal only, photovoltaic when system is ground mounted)
- 4.3.7 Manual J calculation (geothermal only)
- 4.3.8 Detailed system design and a predicted performance calculation verified by a Professional Engineer. (Non-residential solar water heating systems only.)
- 4.3.9 Roof diagram illustrating the following:
  - 4.3.9.1 Roof dimensions (angle, length and width)
  - 4.3.9.2 Location of collectors or modules on roof
  - 4.3.9.3 Location of any roof-mounted or building-mounted equipment

4.3.9.4 Orientation & Tilt of array or collectors
4.3.9.5 Areas of shading (Provide Solar Pathfinder results for all cases where shading occurs between 9:00 a.m. and 3:00 p.m. Results of the solar shade analysis must determine that 70% of the annual solar path's area is shade free to be considered for a grant.)

4.4 Evaluation of Grant Reservation Request

Upon receipt of the Grant Reservation Request and supporting documents, the Department will perform an evaluation to check the proposal package for its compliance with the requirements noted above. If the proposal package is complete, the Department will process the Grant Reservation and issue a Confirmation and Claim Form to the applicant and provide a copy to DEMEC. All requirements as outlined in Section 4.3 must be provided to the Department prior to processing the grant reservation.

The Department will notify DEMEC which will reserve the funds for the project described in the Grant Reservation Request for six (6) months from the date of the reservation for residential applicants and twelve (12) months from the date of reservation for non-residential applicants. Since all grants are reserved on a first come-first served basis, viable projects that are not completed within the required time will be placed at the end of the queue and issued an extension of six (6) months from the date of the expired reservation for residential applicants and twelve (12) months from the date of expired reservation for non-residential applicants. To be considered for a reservation extension, the Department and DEMEC will require a project status and summary in writing fourteen (14) business days prior to the expiration of the original reservation.

4.5 Claim for and Distribution of Green Energy Program Grants

After installation, the customer and contractor must provide the following to the Department:

4.5.1 Completed Confirmation and Claim form signed by customer and contractor
4.5.2 Copy of electrical, plumbing or building inspection
4.5.3 Copy of completed and approved municipal member Interconnection Agreement (photovoltaic, wind, fuel cell) or similar document from a non-regulated electric supplier which is contributing to the Municipal Green Energy Fund
4.5.4 Copy of product specification sheets
4.5.5 Copy of final sales invoice (invoice must include actual price paid, itemized list of components, labor, permit fees, method of payment)
4.5.6 Copy of warranty agreement
4.5.7 Copy of verification of completion of installation signed by customer and contractor.

Upon receipt of the completed Reservation Claim Form and all final documentation pertaining to the project as noted in Section 4.5.1-4.5.6, the Department will evaluate the Reservation and Claim Form and the required accompanying documents for consideration of grant approval and render recommendation of approval to DEMEC. The contractor and customer are fully responsible for insuring that all forms and documentation have been supplied and the system meets all program requirements. The Department and/or DEMEC representatives may make an inspection of the systems prior to final grant approval.

The Department will process the grant within a reasonable time; usually within 30 days of receipt of the Reservation and Claim Form and all supporting documentation. The Department will provide DEMEC with a determination that all grant requirements have been met. DEMEC will ordinarily process the payment to the purchaser, however, if the purchaser so requests in writing and documentation reflects the grant value was reduced directly from the purchase price, DEMEC will process the payment to the retailer or installing contractor.

Upon written request to the Department, and subject to DEMEC approval, DEMEC will pay the grant in two installments. Twenty-five percent 25% of the grant paid after the equipment is delivered to the installation site and all required permits, approvals, certifications from all jurisdictions having authority are secured. The remaining twenty-five percent is paid when the system is operational and approved by the utility and/or appropriate inspection agent. Both the Department and DEMEC reserve the right to review any installation prior to any partial or final grant payment.

4.6 Green Energy Program Participating Contractor Guidelines

4.6.1 Participating Contractor Application

Contractors installing qualifying photovoltaic, solar water heating, geothermal heat pumps, small wind turbines, or fuel cells must complete the Participating Contractor Application prior to installing systems within the Municipal Green Energy Program. The application will consist of the following:

- 4.6.1.1 Name of company and key contact information
- 4.6.1.2 Brief history and organizational structure of company
- 4.6.1.3 Education, experience and licensure
- 4.6.1.4 General liability and statutory worker's compensation
- 4.6.1.5 Statement of reliability and good standing

4.6.2 Education and Licensure

Participating Contractors shall maintain appropriate education and licenses to insure that only professionally designed systems are installed within the Program. The Participating Contractor must be licensed in the State of Delaware and in local jurisdictions as required.

Where industry certification programs have been promulgated, grant recipients are encouraged to use industry certified contractors.

4.6.3 Insurance Requirements

The Participating Contractor and anyone acting under its direction or control or on its behalf shall at its own expense procure and maintain in full force at all times Commercial General Liability Insurance with a bodily injury and property damage combined single limit of liability of at least ONE MILLION DOLLARS ($1,000,000) for any occurrence.

4.6.4 Statement of Reliability and Good Standing

Contractor must be reliable and in good standing with a "Satisfactory Record" (or no negative reports) with the Better Business Bureau. The Contractor shall provide a copy of their Better

Business Bureau report to the Department upon request. Reports may be obtained at the following address.

BBB of Delaware
1415 Foulk Road, Suite 202
Foulkstone Plaza
Wilmington, DE 19803
Phone: (302)230-0108
Fax: (302)230-0116
Web Site: www.delaware.bbb.org
Email: info@delaware.bbb.org

4.6.5 Limitation of Funds

The Program funds are limited. The Participating Contractor shall follow program guidelines to insure reservation of funds prior to installing a qualifying system.

4.6.6 Owner's Manual Minimum Requirements

Contractors are required to provide each Program participant with an owner's manual. At a minimum, the owner's manual shall include the following:

- 4.6.6.1 Name and address of the seller
- 4.6.6.2 System model name or number
- 4.6.6.3 Identification and explanation of system components
- 4.6.6.4 Description of system operation
- 4.6.6.5 Description of system maintenance
- 4.6.6.6 Description of emergency procedures
- 4.6.6.7 Vacation procedures
- 4.6.6.8 Systems warranty

4.7 Warranty

All qualifying systems receiving a Green Energy Program grant must have a full 5-year warranty against component failure, malfunction and premature output degradation. The warranty must cover all components for which the program incentive is granted and cover the full cost of repair and replacement of all components of the system. For professionally installed systems, the warranty must cover the labor to remove and replace defective components and systems.

4.8 Code Compliance

All qualifying systems must be installed in accordance with the standards and specifications of the manufacturers of the components in the system, in compliance with all applicable local electric and building codes, local ordinances and these guidelines. Where discrepancies, if any, exist with these guidelines and local codes, local codes shall govern.

5.0 Green Energy Program Renewable Energy Technologies

5.1 Photovoltaic Systems

5.1.1 Grant Limits

Subject to availability of funds, the Municipal Green Energy Program offers grants for grid-connected photovoltaic systems installed by qualified contractors and customers up to 50% of the total installed costs. Grants will not exceed $_____ (see attached table) per residential dwelling for residential systems and $_____ (see attached tabled) per non-residential facility for non-residential systems. A photovoltaic system may not have eligible qualifying photovoltaic system costs in excess of $12 per Watt.

5.1.2 Accepted Products and Equipment

5.1.2.1 Grid Interconnected

All photovoltaic modules must be certified by a nationally recognized testing laboratory as meeting the requirements of the most recent version of Underwriters Laboratory Standard 1703.

All qualifying grid-connected systems must comply with the Institute of Electrical and Electronic Engineers Standards Board (IEEE) 929, Recommended Practice for Utility Interface of Photovoltaic (PV) Systems, IEEE 1547, Standard for Interconnecting Distributed Resources with the Electric Power Systems and the appropriate generation interconnection requirements of the participating municipal member's, Technical Considerations Covering Parallel Operations.

All inverters must be certified by a nationally recognized testing laboratory for safe operation and be certified as meeting the requirements of Underwriters Laboratory Standards 1741, Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems.
All grid interconnected systems must be designed and installed to comply with the National Electric Code (NEC).

5.1.2.2 Non-Grid Interconnected or Stand-Alone

All photovoltaic modules must be certified by a nationally recognized testing laboratory as meeting the requirements of the most recent version of Underwriters Laboratory Standard 1703.

All non-grid interconnected or stand-alone systems shall be designed and installed to comply with the National Electric Code (NEC)].

5.1.3 Array Orientation and Tilt

Optimum array orientation is a 180° true bearing. However, the program accepts solar arrays oriented between South of due East and South of due West or between 80° and 260° magnetic. Systems installed between 260° and 80° magnetic or North of due East and North of due West are not eligible for a Green Energy Program Grant.

Optimum array tilt is equal to the latitude at the installation site. However, the program accepts array tilt parameters as specified by the module manufacturer which may allow for tilts greater than and less than latitude.

5.1.4 Array Shading

Photovoltaic arrays shall be installed such that the array has a minimum of six (6) hours of unobstructed sunshine daily inclusive of solar noon. A "solar window" of eight (8) hours of unobstructed sunshine is preferred.

The installing contractor is responsible for insuring that the system is free from shading. The installing contractor shall perform a "Solar Shade Analysis" to ensure the array meets the minimum daily sunshine requirements. Results of the solar shade analysis must determine that 70% of the annual solar path's area is shade free to be considered for a grant.

5.1.5 Aesthetics

Aesthetics must be considered in the design and mounting of the photovoltaic array. The designing contractor must provide a roof schematic complete with roof dimensions, array placement, orientation and areas of shading to the Department prior to installation. The designing contractor must make every attempt to configure the modules in an aesthetically pleasing manner free from shading.

5.2 Solar Water Heating

5.2.1 Grant Limits

Subject to availability of funds, the Municipal Green Energy Program offers grants for solar water heating systems installed by qualified contractors and customers up to 50% of the total installed cost. Grants will not exceed $ (see attached table) per residential dwelling for residential systems and $_____(see attached table) per non-residential facility for non-residential systems.

Solar water heating systems integrated into a radiant heating application are eligible for a grant up to 50% of the installed cost of the solar energy portion of the system. Grants will not exceed $_____(see attached table) per residential dwelling for residential systems and $_____(see attached table) per non-residential dwelling for non-residential systems.

5.2.2 Accepted Products and Equipment

A solar water heating system must be designed to reduce or eliminate the need for electric or gas heated water.

All qualifying residential solar water heating systems must be certified to meet the Solar Rating and Certification Corporation's (SRCC) OG- 300, Operating Guidelines and Minimum Standards for Certifying Solar Water Heating Systems: An Optional Solar Water Heating System Certification and Rating Program and have a Freeze Tolerance Limit of minus 21 degrees Fahrenheit without electrical power.

All qualifying non-residential solar water heating systems and solar energy systems integrated into a radiant heating application must utilize collectors certified to meet the Solar Rating and Certification Corporation's (SRCC) OG-100, Operating Guidelines for Certifying Solar Collectors.

Non-residential solar water heating systems will be required to submit a detailed system design and a predicted performance calculation verified by a Professional Engineer (P.E.)

5.2.3 Collector Orientation and Tilt

Optimum collector array orientation is a 180° true bearing. However, the program accepts solar collectors oriented between South of due East and South of due West or between 80° and 260° magnetic. Systems installed between 260° and 80° magnetic or North of due East and North of due West are not eligible for a Green Energy Program Grant.

Optimum collector tilt is equal to the latitude at the installation site. However, the program accepts collector tilt parameters as specified by the collector manufacturer which may allow for tilts greater than and less than latitude.

5.2.4 Collector Shading

All collectors shall be installed such that the collector array has a minimum of six (6) hours of unobstructed sunshine daily inclusive of solar noon. A "solar window" of eight (8) hours of unobstructed sunshine is preferred.

The installing contractor is responsible for insuring that the system is free from shading. The installing contractor shall perform a "Solar Shade Analysis" to ensure the array meets the minimum daily sunshine requirements. Results of the solar shade analysis must determine that 70% of the annual solar path's area is shade free to be considered for a grant.

5.2.5 Aesthetics

Aesthetics must be considered in the design and mounting of the solar water heating collectors. The designing contractor must complete a roof schematic complete with roof dimensions, collector placement, orientation and areas of shading to the Department prior to installation. The designing contractor must make every attempt to configure the collectors in an aesthetically pleasing manner.

5.3 Small Wind Turbines

5.3.1 Grant Limits

Subject to availability of funds, the Municipal Green Energy Program offers incentives up to 50% of the total installed cost for small grid-connected wind turbines installed by a qualified contractor for a qualified customer. Small wind turbines shall be at least 500 Watts. Grants will not exceed $___ (see attached table) per residential dwelling for residential systems and $_____(see attached table) per non-residential facility for non-residential systems. A qualifying wind turbine system shall not exceed $5.00 per Watt installed.

5.3.2 Capacity Limits

Qualifying wind turbine systems shall be at least 500 Watts.

The Department may reject applications if the location of the proposed wind turbine system has an inadequate wind resource for reasonable utilization of the equipment as recommended by the turbine manufacturer. Wind resources can vary significantly; therefore, the contractor and customer must take care that the location has adequate wind for the turbine selected. It is strongly recommended that a professional evaluation of your specific site be completed. The Department may require additional evidence of feasibility prior to approving the grant reservation.

5.3.3 Accepted Products and Equipment

5.3.3.1 Grid Interconnected

All qualifying grid-connected small wind systems must use Underwriters Laboratory listed equipment and comply with the Institute of Electrical and Electronic Engineers Standards Board (IEEE) 929, Recommended Practice for Utility Interface of Photovoltaic (PV) Systems, IEEE 1547, Standard for Interconnecting Distributed Resources with the Electric Power Systems and the appropriate generation interconnection requirements of the municipal power delivery's, Technical Considerations Covering Parallel Operations of Customer Owned Generation.

All inverters or other systems used in interconnection must be certified by a nationally recognized testing laboratory for safe operation and be certified as meeting the requirements of Underwriters Laboratory Standards 1741, Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems.

All grid interconnected systems must be designed and installed to comply with the National Electric Code (NEC).

5.3.3.2 Non-Grid Interconnected or Stand-Alone

All qualifying non-grid interconnected wind systems must use Underwriters Laboratory certified listed equipment and systems shall be designed and installed to comply with the National Electric Code (NEC).

5.4 Geothermal Heat Pump Systems

5.4.1 Grant Limits

Subject to availability of funds, the Municipal's Green Energy Program offers grants for geothermal heat pump systems installed by qualified contractors and customers at the following rates:

Residential:
$600 per ton not exceeding $_____(see attached table) per residential dwelling for residential systems installed with an Energy Efficiency Ratio (EER) of 15.0 and Coefficient of Performance (COP) of 3.4 or greater or 50% of the installed cost whichever is lower, or

$500 per ton not exceeding $_____(see attached table) per residential

dwelling for residential systems with an Energy Efficiency Ratio (EER) of 14.0 and Coefficient of Performance (COP) of 3.0 or greater or 50% of the installed cost whichever is lower.

Non-residential:
$600 per ton not exceeding $_____(see attached table) per non-residential facility for non-residential systems with an Energy Efficiency Ratio (EER) of 15.0 and Coefficient of Performance (COP) of 3.4 or greater or 50% of the installed cost whichever is lower, or

$500 per ton not exceeding $_____(see attached table) per non-residential facility for non-residential systems with an Energy Efficiency Ratio (EER) of 14.0 and Coefficient of Performance (COP) of 3.0 or greater or 50% of the installed cost whichever is lower.

5.4.2 Accepted Products and Equipment

Qualifying geothermal heat pump systems must be sized in accordance with good heating, ventilation and air conditioning design practices for the occupancy, location and structure. Contractor shall provide a Manual J calculation, or other equivalent calculation, to determine proper size of equipment.

All qualifying systems must have a warranty for protection of the integrity and performance of the system for at least five years. All units installed under this program must have a minimum EER of 14.0 and COP of 3.0. Qualifying systems must meet the following:

Closed loop systems shall qualify under rating conditions in accordance with ISO 13256-1.

Open loop systems shall qualify under rating conditions in accordance with ISO 13256-1.

DX systems shall qualify under rating conditions in accordance with ARI 870.

5.5 Fuel Cells

5.5.1 Grant Limits

Subject to availability of funds, the Municipal Green Energy Program offers grants for grid-connected fuel cells installed by qualified contractors and customers up to 50% of the total installed cost for fuel cell systems operating on a renewable fuel source. Grants will not exceed $_____(see attached table) for residential systems and $_____(see attached table) for non-residential systems.

5.5.2 Accepted Products and Equipment

5.5.2.1 Grid Interconnected

All Qualifying fuel cells systems must utilize a renewable fuel source and meet the National Fire Protection Association (NFPA) 853 for Stationary Fuel Cell Power Plants, the Institute of Electrical and Electronic Engineers Standards Board (IEEE) 519-Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, the most current version of the American National Standards Institute (ANSI)

Z21.83 for Fuel Cell Power Plants, and input and output protection functions should be in compliance with ANSI C37.2 Device Function Number Specifications.

All grid interconnected systems must be designed and installed to comply with the National Electric Code (NEC).

5.5.2.2 Non-Grid Interconnected or Stand-Alone
All non-grid interconnected or stand-alone systems shall be designed and installed to comply with the National Electric Code (NEC).

6.0 Efficiency Program

6.1 General Provisions

The Energy Efficiency Program promotes projects aimed at using less energy to do the same or better job than conventional products or systems. Programs will be announced as they are introduced and implemented and may receive preference due to system benefit.

6.2 Eligibility

The Energy Efficiency Program is available to DEMEC's member electric customers which are contributing to the Municipal Green Energy Fund. All eligible equipment and products must be installed in Delaware.

7.0 Voluntary Green Energy Subscription Program

7.1 General Provision

The purpose of the Voluntary Green Energy Purchase Program is to allow customers the opportunity to purchase blocks of green energy at competitive market rates. The green energy blocks are generated from non-carbon based, qualifying renewable energy sources. By subscribing to this program, customers will be helping to improve the environment by reducing pollution and consumption of non-renewable resources.

7.2 Eligibility

The Voluntary Green Energy Purchase Program is available to municipal electric customers which are contributing to the Municipal Green Energy Fund.

7.3 Subscription Request

Municipal customers have the option to voluntarily purchase of blocks of green energy from their local utility company. Blocks of 100 kwh will be offered for one year terms and will be renewable yearly at the then current market rate. The amount of green energy blocks may be limited and will

be awarded on a first-come first-serve basis. Quantity may be limited to a customer's lowest monthly consumption in the preceding twelve months, i.e., 1,000 kwh usage would be limited to 10 blocks. If subscriptions exceed available green energy, customers will be placed on a priority list for the following year.

8.0 Administration of Green Energy Funds

Up to 7.5% of the moneys deposited in the Municipal Green Energy Fund may be used for administration of the fund.

9.0 Proprietary Application Information

Applicants are hereby notified that the Department intends to make all applications submitted available to non-State personnel for the sole purpose of assisting in its evaluation of the applications. These individuals will be required to protect the confidentiality of any specifically identified proprietary information obtained as a result of their participation in the evaluation.

Proposals submitted may contain trade secrets and/or privileged or confidential commercial or financial information which the applicant does not want to be used or disclosed for any purpose other than evaluation of the application. The use and disclosure of such data may be restricted, provided the applicant follows the Department's "Request for Confidentiality" procedure contained in the Department's "Freedom of Information Act" or "FOIA" regulation. It is important to understand that this FOIA regulation's confidentiality procedure is a necessary part of this regulation in that any information submitted to the Department is subject to public review unless deemed to be confidential by the Secretary in accordance with the criteria and procedures established in the FOIA regulation.

The burden lies with the applicant asserting the claim of confidentiality to meet the criteria established in the FOIA regulation.

10.0 Severability

If any section, subsection, paragraph, sentence, phrase or word of these regulations is declared unconstitutional by a court of competent jurisdiction, the remainder of these regulations shall remain unimpaired and shall continue in full force and effect, and proceedings there under shall not be affected.

Photovoltaic Systems

	Photovoltaic Systems Grant Funding	Not to Exceed for Residential	Not to Exceed for Non-Residential
DP&L	up to 50% of total installation costs	$22,500	$250,000
DEC	up to 50% of total installation costs	$15,000	$30,000
Clayton	up to 50% of total installation costs	$15,000	$30,000
Smyrna	up to 50% of total installation costs	$15,000	$30,000
New Castle (1)	Funding only available to schools. Contact City of New Castle for details.		
Middletown	up to 50% of total installation costs	$15,000	$30,000
Seaford	up to 50% of total installation costs	$15,000	$30,000
Milford	up to 50% of total installation costs	$15,000	$30,000
Newark (2)	up to 50% of total installation costs	$22,500	$250,000
Dover	up to 50% of total installation costs	$15,000	$30,000
Lewes (3)	up to 50% of total installation costs	$15,000	$30,000

Solar Water Heating

	Solar Water Heating Grant Funding	Not to Exceed for Residential	Not to Exceed for Non-Residential
DP&L	up to 50% of total installation costs	$3,000	$250,000
DEC	up to 50% of total installed costs	$3,000	$10,000
Clayton	up to 50% of total installed costs	$3,000	$10,000
Smyrna	up to 50% of total installed costs	$3,000	$10,000
New Castle (1)	Funding only available to schools. Contact City of New Castle for details.		
Middletown	up to 50% of total installed costs	$3,000	$10,000
Seaford	up to 50% of total installed costs	$3,000	$10,000
Milford	up to 50% of total installed costs	$3,000	$10,000
Newark (2)	up to 50% of total installation costs	$3,000	$250,000
Dover	up to 50% of total installed costs	$3,000	$10,000
Lewes (3)	up to 50% of total installed costs	$3,000	$10,000

Solar Water Heating Integrated into a Radiant Heating Application

	Solar Water Heating w/ Radiant Grant Funding	Not to Exceed for Residential	Not to Exceed for Non-Residential
DP&L	up to 50% of total installation costs	$5,000	$250,000
DEC	up to 50% of total installed costs	$5,000	$10,000
Clayton	up to 50% of total installed costs	$5,000	$10,000
Smyrna	up to 50% of total installed costs	$5,000	$10,000
New Castle (1)	Funding only available to schools. Contact City of New Castle for details.		
Middletown	up to 50% of total installed costs	$5,000	$10,000
Seaford	up to 50% of total installed costs	$5,000	$10,000
Milford	up to 50% of total installed costs	$5,000	$10,000
Newark (2)	up to 50% of total installation costs	$5,000	$250,000
Dover	up to 50% of total installed costs	$5,000	$10,000
Lewes (3)	up to 50% of total installed costs	$5,000	$10,000

Small Wind Turbines

	Small Wind Turbines Grant Funding	Not to Exceed for Residential	Not to Exceed for Non-Residential
DP&L	up to 50% of total installation costs	$22,500	$100,000
DEC	up to 50% of total installed costs	$5,000	$10,000
Clayton	up to 50% of total installed costs	$5,000	$10,000
Smyrna	up to 50% of total installed costs	$5,000	$10,000
New Castle (1)	Funding only available to schools. Contact City of New Castle for details.		
Middletown	up to 50% of total installed costs	$5,000	$10,000
Seaford	up to 50% of total installed costs	$5,000	$10,000
Milford	up to 50% of total installed costs	$5,000	$10,000
Newark (2)	up to 50% of total installation costs	$22,500	$100,000
Dover	up to 50% of total installed costs	$5,000	$10,000
Lewes (3)	None Available	-	-

Fuel Cells

	Fuel Cells Grant Funding	Not to Exceed for Residential	Not to Exceed for Non-Residential
DP&L	up to 50% of total installation costs	$22,500	$250,000
DEC	up to 50% of total installed costs	$15,000	$30,000
Clayton	up to 50% of total installed costs	$15,000	$30,000
Smyrna	up to 50% of total installed costs	$15,000	$30,000
New Castle (1)	Funding only available to schools. Contact City of New Castle for details.		
Middletown	up to 50% of total installed costs	$15,000	$30,000
Seaford	up to 50% of total installed costs	$15,000	$30,000
Milford	up to 50% of total installed costs	$15,000	$30,000
Newark (2)	up to 50% of total installation costs	$22,500	$250,000
Dover	up to 50% of total installed costs	$15,000	$30,000
Lewes (3)	up to 50% of total installed costs	$15,000	$30,000

Geothermal Heat Pumps System -
w/ Energy Efficiency Ratio (EER) of 15.0 and Coefficient of Performance (COP) of 3.4 or greater

	Geothermal Heat Pumps System Grant Funding	Not to Exceed for Residential	Not to Exceed for Non-Residential
DP&L	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$25,000
DEC	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$20,000
Clayton	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$20,000
Smyrna	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$20,000
New Castle (1)	Funding only available to schools. Contact City of New Castle for details.		
Middletown	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$20,000
Seaford	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$20,000
Milford	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$20,000
Newark (2)	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$25,000
Dover	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$20,000
Lewes (3)	$600 per ton or 50% of total installed costs; whichever is lower	$3,000	$20,000

Geothermal Heat Pumps System -
w/ Energy Efficiency Ratio (EER) of 14.0 and Coefficient of Performance (COP) of 3.0 or greater

	Geothermal Heat Pumps System Grant Funding	Not to Exceed for Residential	Not to Exceed for Non-Residential
DP&L	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$25,000
DEC	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$20,000
Clayton	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$20,000
Smyrna	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$20,000
New Castle (1)	Funding only available to schools. Contact City of New Castle for details.		
Middletown	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$20,000
Seaford	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$20,000
Milford	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$20,000
Newark (2)	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$25,000
Dover	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$20,000
Lewes (3)	$500 per ton or 50% of total installed costs; whichever is lower	$2,500	$20,000

Notes:

(1) The City of New Castle is providing funding for community school projects only. Please contact the City of New Castle for further information.

(2) The City of Newark is contributing to the State's Green Energy Fund. Please contact the City of Newark or the State Energy Office for further information.

(3) The City of Lewes is making available 1/3 of their total Green Energy Funds for renewable grants.

CITY OF DOVER WATER QUALITY APPLICABLE EXPENDITURES

ACCOUNT #	PROJECT #	DESCRIPTION	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	TO DATE
417-6800-568.40-31	WS0201	Wellhead Redevelopment Program	$990.00					$990.00
417-6800-568.40-31	WS0404	Wellhead Redevelopment Program		$150,961.29				$150,961.29
417-6800-568.40-31	WS0505	Wellhead Redevelopment Program			$143,840.15			$143,840.15
417-6800-568.40-31	WS0606	Wellhead Redevelopment Program				$23,838.98		$23,838.98
		Wellhead Redev. Total (capacity and flow control)	$990.00	$150,961.29	$143,840.15	$23,838.98		$319,630.42
417-6800-568.40-31	WS0301	Water System SCADA Upgrade (flow control)	$192,198.00	$21,294.60				$213,492.60
417-6800-568.40-34	WD0304	Division Street Water Main Upgrade (unlined pipe replacement)	$12,033.20	$8,498.73		$1,334,251.51		$1,354,783.44
417-6800-568.40-34	WD0306	Dead End Water Main Removal (improved flow control)	$22,391.79					$22,391.79
417-6800-568.40-34	WD0504	Water Quality Evaluation (system analysis)			$1,660.00	$77,407.64		$79,067.64
417-6800-568.40-34	WD0502	Water Quality Improvements (recommendation implementation)					$85,188.24	$85,188.24
417-6800-568.40-34		Misc. Distribution System Improvements (capacity, flow control, pipe replacement)	$0.00	$100.00	$56,440.04	$20,917.96	$3,751.96	$81,209.96
417		**TOTAL**	**$227,612.99**	**$180,854.62**	**$201,940.19**	**$1,456,416.09**	**$88,940.20**	**$2,155,764.09**
412-6800-568.20-51		Claims since 12/2002 (damaged laundry, etc.)	$1,143.31	$3,376.00	$5,586.40	$2,939.41	$939.88	$13,985.00
412-6800-568.30-25		Flushing Advertising	$504.12	$5,309.70	$2,974.44	$9,592.00	$9,873.82	$28,254.08
various	estimated	Flushing Labor (In-house)	$19,098.00	$106,948.80	$101,856.00	$165,516.00	$124,137.27	$517,556.07
412-6800-568	estimated	Flushing Supplies - Distribution		$148.47	$742.10	$777.31	$234.50	$1,902.38
412-7600-576	estimated	Flushing Supplies - WTP				$1,177.46		$1,177.46
412-7600-576	estimated	Sample Analysis Supplies				$3,276.90		$3,276.90
		VFDs (flow control)						$0.00
412		**TOTAL**	**$20,745.43**	**$115,782.97**	**$111,158.94**	**$183,279.08**	**$135,185.47**	**$566,151.89**
		WATER QUALITY TOTAL	**$248,358.42**	**$296,637.59**	**$313,099.13**	**$1,639,695.17**	**$224,125.67**	**$2,721,915.98**

CITY OF DOVER WATER QUALITY APPLICABLE EXPENDITURES

OCTOBER - NOVEMBER 2006 FLUSHING OPERATION LABOR EXPENSES						
EMPLOYEE	**REGULAR HOURS**	**OVERTIME HOURS**	**RATE PER HOUR**	**SHIFT DIFFERENTIAL**	**TOTAL OVERTIME**	**TOTAL MONTHLY PAY**
Rick Abbott	$2,830.40	46.0	$26.54	$120.75	$1,341.59	$4,171.99
Robert Carson	$2,710.40	32.0	$25.41	$69.25	$882.37	$3,592.77
Earl Hayes	$3,078.40	8.0	$28.86	$73.63	$304.51	$3,382.91
Ralph McDougall	$3,673.97	86.0	$34.66	$0.00	$2,980.76	$6,654.73
George O'Neal	$3,078.40	14.5	$28.86	$46.75	$465.22	$3,543.62
Shawn Ridgeway	$2,112.00	46.5	$19.80	$121.13	$1,041.83	$3,153.83
Lee Ridgway	$2,049.60	10.0	$19.23	$53.38	$245.68	$2,295.28
Gerald Pennewell	$2,710.40	32.0	$25.41	$74.38	$887.50	$3,597.90
Vic Brown	$2,489.60	15.0	$23.34	$47.13	$397.23	$2,886.83
Bruce Blankenship	$3,084.80			$18.00	$18.00	$3,102.80
Michael Boots	$3,084.80	9.0	$28.92	$60.00	$320.28	$3,405.08
Shawn Combs	$3,084.80			$56.00	$56.00	$3,140.80
Robert Daniels	$2,830.40	8.0	$26.54	$40.00	$252.32	$3,082.72
James Hunter	$2,830.40	9.5	$26.54	$54.00	$306.13	$3,136.53
Andrew Polasko	$2,830.40			$20.00	$20.00	$2,850.40
Shawn Russum	$2,667.20	8.0	$25.01	$86.00	$286.08	$2,953.28
Samuel Spangler	$2,300.80			$42.00	$42.00	$2,342.80
TOTALS	**$47,446.77**	**324.5**	**$339.12**	**$982.40**	**$9,847.50**	**$57,294.27**
% OF LABOR EXPENSE DIRECTLY RELATED TO FLUSHING						**18.90%**
LABOR EXPENSE DIRECTLY RELATED TO FLUSHING						**$10,829.90**

CITY OF DOVER WATER QUALITY APPLICABLE EXPENDITURES

FLUSHING OPERATION LABOR EXPENSE ESTIMATES							
FLUSHING OPERATION	**DAYS**	**ACTUAL LABOR EXPENSE**	**COST PER DAY**	**CREWS**	**DAILY COST PER CREW**	**EST. LABOR EXPENSE**	**DIRECT FLUSHING LABOR EXPENSE**
October 22 - November 15, 2006	18	$57,294.27	$3,183.02	5	$636.60	n/a	$10,829.90
July 9 - August 5, 2006	21	n/a	n/a	5	$636.60	$66,843.00	$12,634.82
FY 2007 Totals	**39**					**$124,137.27**	**$23,464.72**
March 5 - 31, 2006	22	n/a	n/a	5	$636.60	$70,026.00	$13,236.48
September 25 - October 18, 2005	20	n/a	n/a	5	$636.60	$63,660.00	$12,033.17
July 5 - 16, 2005	10	n/a	n/a	5	$636.60	$31,830.00	$6,016.58
FY 2006 Totals	**52**					**$165,516.00**	**$31,286.23**
June 19 - 20, 2005	1	n/a	n/a	4	$636.60	$2,546.40	$481.33
March 4 - 16, 2005	10	n/a	n/a	6	$636.60	$38,196.00	$7,219.90
November 12 - 24, 2004	9	n/a	n/a	6	$636.60	$34,376.40	$6,497.91
August 9 - 17, 2004	7	n/a	n/a	6	$636.60	$26,737.20	$5,053.93
FY 2005 Totals	**27**					**$101,856.00**	**$19,253.06**
May 20 - 27, 2004	6	n/a	n/a	6	$636.60	$22,917.60	$4,331.94
March 8 - 23, 2004	12	n/a	n/a	6	$636.60	$45,835.20	$8,663.88
September 22 - October 3, 2003	10	n/a	n/a	6	$636.60	$38,196.00	$7,219.90
FY 2004 Totals	**28**					**$106,948.80**	**$20,215.72**
May 18 - 21, 2003	4	n/a	n/a	6	$636.60	$15,278.40	$2,887.96
April 29 - 30, 2003	1	n/a	n/a	6	$636.60	$3,819.60	$721.99
FY 2003 Totals	**5**					**$19,098.00**	**$3,609.95**
TOTALS	**151**					**$517,556.07**	**$97,829.69**

City of Dover

December 8, 2006

Dear Schoolview Homeowner:

The City of Dover recently received a petition from residents of Schoolview expressing their concern for how adjacent development will impact both storm water and sanitary sewers. A number of residents also came and spoke to the Planning Commission during the public hearing of the Mainstay Suites Hotel site plan. The purpose of this letter is to address the concerns of residents and assure everyone that the City of Dover is working hard to protect the interests of our citizens. I would like to answer the main questions we have received:

Will sewage from the Stover Professional Center flow into Schoolview's sewer lines?

The plans for the Stover Professional Center which include the Mainstay Suites Hotel on Lot #2 have been approved so that the sewer lines from the project will be connected to sewer line in Schoolview. Sewage will then flow to a pump station on Roberta Avenue. From there, it will be pumped to pipes in South Little Creek Road and will flow across Route 13 toward a large Kent County sewer pump station on Water Street (Pump Station #3). There are three reasons for this plan.

1. The developer of the adjacent land will pay for enlarging and modernizing the Schoolview Pump Station. This is to the benefit of Schoolview residents, and it lowers the cost to the City and ultimately its residents by having the developer modernize the pump station.

2. This plan eliminates the need for an additional pump station which would, in the long run, cost the City and ultimate our residents more to maintain over time.

3. It supports our commitment to Kent County to divert sewage from Pump Station #3. The Schoolview subdivision and any sewer connected to it is scheduled to be diverted to the Kent County sewer bypass on the east side of Dover.

Will this cause sewage to back up into homes in Schoolview like it did in the 1990s?

Engineering studies provided to the City have shown that once the Schoolview Pump Station is enlarged and modernized, it will be able to handle the entire project from the Stover Professional Center. The existing pipes are also large enough to handle the flow. However, it is important to note that each time a new building is considered by

Planning Commission, the sewer flow will be re-evaluated. If it is found that there is not enough capacity, then the project will not move forward unless a solution is found.

The enlargement and modernization of the station Includes:

1. Making the station (which is mostly underground) twice as large;
2. upgrading pumps, making them more reliable for everyone;
3. adding a diesel powered pump that will automatically turn on if power fails (currently we must bring in a portable generator), making the station more dependable for everyone; and
4. adding a screen so that the pump station will be less visible to neighbors.

Will the hotel and other projects be allowed to open before the Schoolview Pump Station enlargement and modernization are completed?

No. A Certificate of Occupancy will not be issued until the improvements are done. Construction of the building and improvement of the station are likely to be constructed concurrently.

Will the construction impact our private property?

No. Most Schoolview residents will not even see the construction. All connections are through public rights-of-way.

There is another hotel proposed for 1166 S. Bay Road. Will this sewer be handled the same way?

No. The proposed hotel is going into a Kent County sewer line on Bay Road.

Does sewage from the Blue Hen Corporate Center flow into Schoolview? What if they expand?

It does not and will not if there are expansions to the existing buildings. However, if new buildings are proposed between the Blue Hen Corporate Center and the Schoolview subdivision, how sewer is handled will have to be evaluated. There are no current plans of which I am aware.

Is there anything I can do to protect my basement from sewer backups?

Sewage backing up into homes can occur anywhere in the City due to blocked sewer lines. These can be blocked from roots, collapsed pipes, grease, and other inappropriate material flushed into the system. **Homes in Schoolview were built with basement floor drains that go into the sewer systems. These types of drains are**

no longer permitted in new construction due to their susceptibility to backups. Many residents in Schoolview have capped them.. We suggest you have your drain capped, too, if you have not already done so. If you are not sure if your drain has been capped, please call the City at 736-7060. We will inspect your home and provide you with a cap if necessary.

Will storm water from these developments flow into Schoolview?

No, The Stover Professional Center will have its own common storm water retention pond for its buildings and roads. The storm water system will have to be functioning before any new buildings are occupied. Each new building will require the storm water issue to be re-evaluated.

Clear water has been seeping into my basement. Will the Stover Professional Center make it worse:?

This clear water is groundwater--not any kind of sewage. The whole City has been experiencing higher groundwater levels over the past few years due to several rainy years after a long period of dry weather. What you are experiencing is occurring in many older developments that have basements. As homes age, small cracks in the foundation occur. The new developments will not have any effect—positive or negative on this situation.

I hope that this letter answers all your questions and reassures you that all of us at the City of Dover are working hard to protect the interests of our citizens. Should you have any questions, please do not hesitate to contact me at 736-7005. My e-mail address is tdeprima@dover.de.us.

Sincerely,

Anthony J. DePrima, AICP
City Manager

AJD/clc

c:/Tony/City Manager/Schoolview-Sewer

PACE | Global Asset Management

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Fairfax, Virginia 22033-3848 USA
Phone: 703-818-9100
Fax: 703-818-9108

City of Dover

November Monthly Report

Asset, Energy and Risk Management

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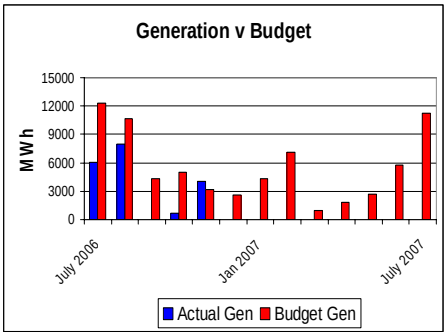
This Report does contain some forward-looking opinions. Certain unanticipated factors could cause actual results to differ from the opinions contained herein. Forward-looking opinions are based on historical and/or current information that relate to future operations, strategies, financial results or 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.

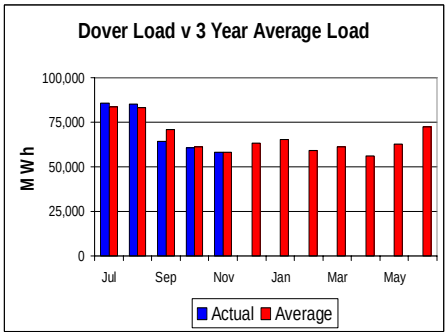
Further, certain statements, findings and conclusions in this Report are based on Pace Global's interpretations of various contracts. Interpretations of these contracts by legal counsel or a jurisdictional body could differ.

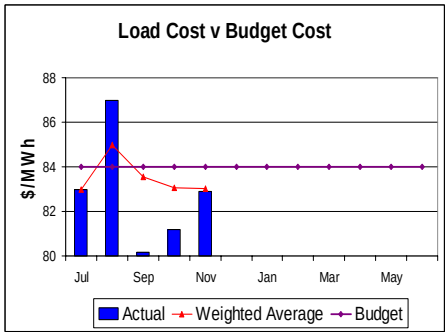
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EXECUTIVE SUMMARY







Generation and Asset Management

Net generation for the month of November credited by PJM was 4,039 MWh (stations ran out of merit for reliability purposes only to support local transmissions upgrades) compared to a budget of 3,000 MWh. Because the units ran out of merit order, a negative gross margin (or loss on generation) of $349,132 was realized.

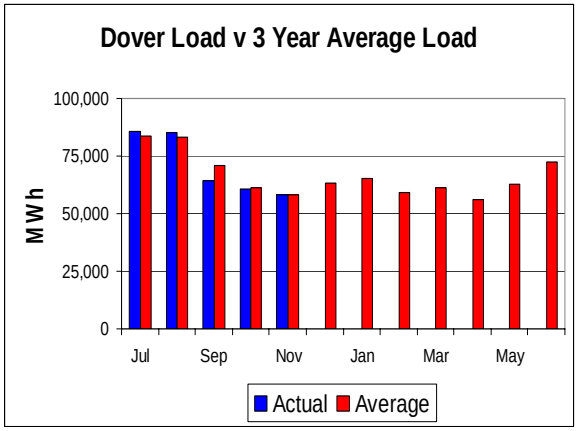
During the month of November, North American Energy Services reported that there were no lost time accidents, OSHA reportable incidents or environmental Notice of Violations. Costs attributable to the operations of the McKee Run and VanSant stations were $118,427 below a budget of $392,559 due to timing of insurance expenses and lower than budgeted overtime, an open operator position and scheduling of certain maintenance activities. For power year 2006-07, operations are $600,657 below a budget of $2,365,383 (~25% below budget). Fuel nozzles were also replaced at the Van Sant combustion turbine successfully addressing a technical issue that arose this past summer.

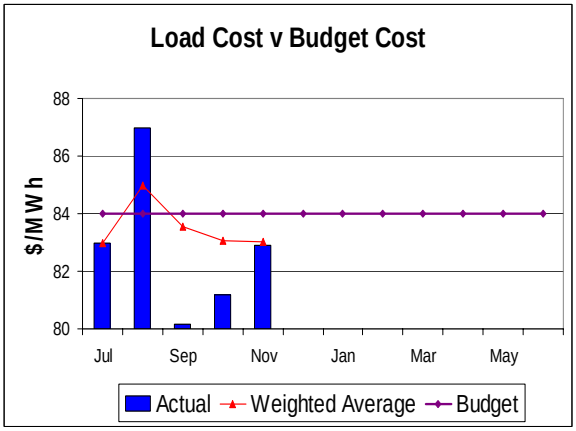
Energy and Risk Management

Wholesale load for the month of November was 58,141 MWh's verses a three year historic load of 58,000 MWhs or 141 MWhs above the three year average. Purchased power (or hedges) accounted for 60,720 MWH's of this volume at a cost of $4.47 million. Purchases and sales as well as other PJM related charges accounted for an additional cost of $119,160 inclusive of all load related fees. Total purchased power costs for the month of November was $4.57 million resulting in an all in cost of power with fees of $82.89/MWh or $1.11 below the targeted annual average of $84.00/MWh.

Dover remains calculated to be 96% hedged on peak and 100% hedged off peak for an anticipated all in delivered cost of $83.77 for the 2006/2007 power year. Hedging has begun for the 2007-2008 power year and currently Dover is hedged 72% on peak and 68% off peak with a at market expected price of $83.41/MWh delivered to the Dover bus for the power year before any incentive fee paid to the Energy Manager. All purchases are with investment grade entities. Based on current market conditions, certain hedges have moved to be "out of the money" or possess a negative market value to Dover. Credit is not currently required to be posted by the counterparties but such position is being closely monitored by Pace Asset Management.

PURCHASED POWER





November Hedges or Purchased Power

Counterparty	Volume (MWh)	Average Cost ($/MWh)	Cost to Dover ($ millions)
BP	18,000	72.89	1.31
Constellation	26,400	77.31	2.04
WPS	16,320	68.20	1.11
Connective (Capacity Only)	303 (equivalent cost)	5.00 (equivalent cost)	1.52
Total Energy Purchases	60,720	73.58	4.47
Dover Load	58,141	--	--

Balanced Sold to PJM and Load Related Fees

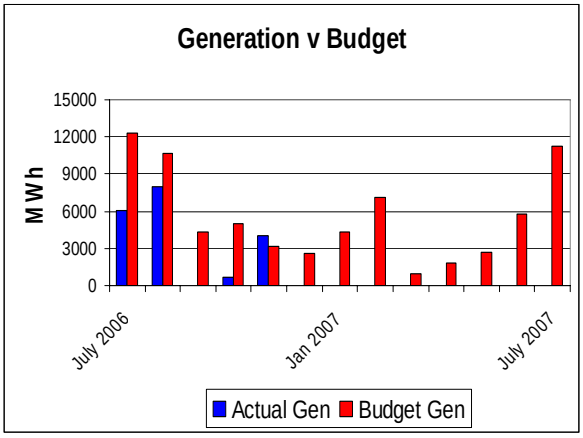
Purchased Power (Hedges) 60,720 MWh's @ $73.58/MWh:	$4,467,826
Power sold to PJM (2,579 MWh's) and Additional PJM Related Costs	$119,160
Total Cost to Serve Load (58,141 MWh's)	$4,586,986

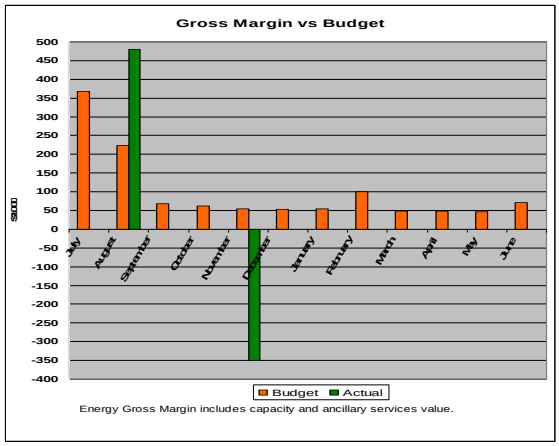
All in $/MWh load cost inclusive of Energy Manager Fees: $82.89/MWh

Highlights

- Sales of 2,579 MWh's coupled with declining hedge pricing resulted in below budget purchases for the month of November
- Generating units were not dispatch in merit order in the month due to soft prices, units ran to support transmission work only
- Market pricing of fuel oil became cheaper in late November allowing the units to run on oil in lieu of gas on two occasions.

GENERATION





Month – October 2006

		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	120.252	120.252	2.35	122.602
Starts	#	0	0	8	8	1	9
Gross Generation	MWh	0	0	4,392.441	4,392.441	90.662	4,483.103
Net Generation	MWh	0	0	3,978.696	3,978.696	90.057	4,068.753
Total Auxiliaries	MWh	29.619	29.619	674.324	733.562	26.303	759.865
Auxiliaries purchased	MWh	29.619	29.619	260.579	319.817	25.698	345.515
Fuel Gas Used	MMBTU	N/A	N/A	44,302,225	44,302,225#	342,899	44,648,124#
Fuel Oil Used	MMBTU	N/A	N/A	7,236,610	7,236,610	825,483	8,062,093
Fuel Oil Used	Gallons	N/A	N/A	48,184	48,184	5,964	54,148
Total Fuel	MMBTU	N/A	N/A	51,538,835	51,538,835#	1,168,382	52,710,217#
Net Heat Rate	BTU/KWh	N/A	N/A	12,945	12,945	12,974	12,946
Unit Trips	#	N/A	N/A	0	0	0	0
Capacity Factor	%	0	0	5.42%	5.42%	.31%	3.21%
Availability Factor	%	100%	100%	100%	100%	92.41%	98.10%
eFOR	%	0	0	0	0	0	0
HW Boiler Gas Usage	MMBTU				1,778,726		1,778,726
Pilot Gas Usage	MMBTU	0	0		0		0

November Emissions and to Date

	Tons emitted current month	Seasonal tons emitted year to date	Tons in Inventory
SOx	4	36	2,718
NOx	1	25	197

Highlights:

- Soft market conditions driven by mild weather precluded McKee Run or Van Sant from running in merit in November and only for support of local transmission outages resulting in a $350,00 gross margin loss (fuel cost more than power)
- Fuel nozzles at Van Sant replaced this month addressing operational issues that arose this past summer. Unit tested and operating as expected

OPERATIONS AND ASSET MANAGEMENT

Unit performance for the month of November is provided below

Month – October 2006							
		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	120.252	120.252	2.35	122.602
Starts	#	0	0	8	8	1	9
Gross Generation	MWh	0	0	4,392.441	4,392.441	90.662	4,483.103
Net Generation	MWh	0	0	3,978.696	3,978.696	90.057	4,068.753
Total Auxiliaries	MWh	29.619	29.619	674.324	733.562	26.303	759.865
Auxiliaries purchased	MWh	29.619	29.619	260.579	319.817	25.698	345.515
Fuel Gas Used	MMBTU	N/A	N/A	44,302,225	44,302,225#	342,899	44,648,124#
Fuel Oil Used	MMBTU	N/A	N/A	7,236,610	7,236,610	825,483	8,062,093
Fuel Oil Used	Gallons	N/A	N/A	48,184	48,184	5,964	54,148
Total Fuel	MMBTU	N/A	N/A	51,538,835	51,538,835#	1,168,382	52,710,217#
Net Heat Rate	BTU/KWh	N/A	N/A	12,945	12,945	12,974	12,946
Unit Trips	#	N/A	N/A	0	0	0	0
Capacity Factor	%	0	0	5.42%	5.42%	.31%	3.21%
Availability Factor	%	100%	100%	100%	100%	92.41%	98.10%
eFOR	%	0	0	0	0	0	0
HW Boiler Gas Usage	MMBTU				1,778,726		1,778,726
Pilot Gas Usage	MMBTU	0	0		0		0

 # Note: Does not include HWB or Pilot Gas

Unit Trips/Outages

During the month of November, Unit 3 at the McKee Run Facility was self dispatched on November 13th, 14th, 15 th, 20 th, 21st, 22nd, 28 th and the 29 th to support the City of Dover Electric Department while their line crews worked on upgrades to the 69KV electrical distribution system. The line outage work will continue in December and possibly into January 2007.

Also during the month of November, Unit 11 at VanSant Generating Facility was put into a scheduled five day maintenance outage in order to change out the fuel nozzles that had recently been purchased from General Electric. The work was completed two days early and upon completion of the work, the unit was started up and put on line to verify proper operation of the unit. The unit was tested when operating on natural gas and on the number two fuel oil. In both instances, particularly during the oil test, the high exhaust temperature spreads present with the old fuel nozzles in place, were no longer present with the replacement nozzles. Exhaust temperature spreads are now in an acceptable range. Inspection of the removed nozzles found oxidation and pitting on the fuels tips which will require repairs and flow testing. The plant is currently evaluating options on these repairs.

Other Events

Operation of the units to support the City of Dover's 69KV line outages with scheduled dates in November and December has begun. During the line outages in November, Unit 3 was put on line to support the Dover Load and for voltage support in various sections of the city. During the December time frame, the McKee Run generating units will undergo emission testing as required by the McKee Run Title V Operating Permits. The test schedule has been approved by DNREC and emission testing on Units 1, 2 & 3 will begin during the week of December 11. When Units 1, 2 and 3 are operated in the December time period, the units will also be required to perform capacity tests as required by PJM for the winter season and the requested exemption would not apply.

In November, the plant provided DNREC with additional information and an expected completion schedule for the API 653 external inspection of the #1 fuel oil tank, per their request. We continue to work on getting information to DNREC in order to provide them with enough information to approve a two year variance on an internal inspection of the tank. We are also proceeding with cleaning of the #2 fuel oil tank that is now empty so that it can be assessed for either use as a holding tank for the remaining fuel in the #1 fuel tank or to take the tank completely out of service.

Power Year to Date Performance is provided below:

Fiscal Year to Date 7/1/06-6/30/07							
		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	95.600	109.900	294.939	500.439	107.120	607.559
Starts	#	5	3	19	27	31	58
Gross Generation	MWh	730.918	888.336	15,477.372	17,096.626	3,377.692	20,474.318
Net Generation	MWh	680.836	833.451	14,164.740	15,679.027	3,357.616	19,036.643
Total Auxiliaries	MWh	180.647	185.450	2,493.874	2,919.208	121,581	3,085.376
Auxiliaries purchased	MWh	130.565	130.565	1,181.242	1,501.609	101.505	1,647.701
Fuel Gas Used	MMBTU	10,899,000	11,683,728	151,396,490	173,979,218#	42,000,242	215,979,461#
Fuel Oil Used	MMBTU	0	0	19,109,646	19,109,646	2,116,044	22,051,174
Fuel Oil Used	Gallons	0	0	126,432	126,432	21,083	147,515
Total Fuel	MMBTU	10,899,000	11,683,728	170,506,137	193,088,865#	43,773,387	238,030,635#
Net Heat Rate	BTU/KWh	16,008	14,018	12,037	12,315	13,385	12,504
Unit Trips	#	4	1	1	6	7	13
Capacity Factor	%	1.09%	1.34%	3.78%	3.14%	2.34%	2.96%
Availability Factor	%	95.95%	97.21%	99.07%	97.41%	98.51%	97.68%
eFOR	%	1.90%	5.96%	0.93%	1.68%	0%	1.31%
HW Boiler Gas Usage	MMBTU				7,482,248		7,482,248
Pilot Gas Usage	MMBTU	403.015	403.015		806.030		806.030

 # Note: Does not include HWB or Pilot Gas

Environmental, Health and Safety

There were no Notice of Violations or opacity deviations during the month. There was one environmental deviation that occurred on November 29 when the combustion turbine operated to test the new fuel nozzles. The deviation occurred when the actual hourly water-to-fuel injection rate of

6.24, did not meet the required hourly water-to-fuel injection rate of 6.26, as required by our Title V Operating Permit for the VanSant Generating Facility. The root cause of the deviation has not yet been determined and is still under investigation.

Emissions Allowances

For the month of November 2 tons of SOx and 1 ton of NOx were emitted. Emissions verse banked allowances are cited below;

	Tons emitted current month	Tons emitted year to date	Tons in Inventory
SOx	4	36	2,718
NOx	1	25	197

Current market pricing for allowances are $485/ton for SOx and $675/ton for NOx

Safety

During the month of November, there was one minor injury report. The minor injury occurred when an employee twisted his ankle on uneven pavement just outside the maintenance shop. The injury did not require medical attention and therefore does not require reporting under OSHA guidelines. The area has been identified with bright yellow paint to alert other employees to the potential tripping hazard.

The station operations worked 5,454 hours without an OSHA reportable incident or lost time accident. There have been 574 days since the last OSHA reportable incident or lost time accident (April 5, 2005)

Generation Financial Performance

Per the table below, the McKee and VanSant station experienced a net gross margin loss of $349,133 on energy sales for the month of November due to the fact the units ran out of merit (reliability reasons) to support transmission related work performed by the City's electric distribution department.

Summary of Generation Sales and Fuel Purchases

Transaction	Volumes	Revenue/Cost
PJM Invoice for Power Sold	4,039 MWH's sold	$146,858*
Fuel and Transport	60,486 MMBtu consumed	($495,991)
Net Generation Revenue	4,039 MWh's	($349,133)

* Excludes Black Start revenue shown in November estimates, such revenue is included below

Plus Other Revenue

Black Start:	$5,000
Less Net Generation Revenue	($349,133)
Realized margin for November	($344,133)

Operating Costs

Operating Costs for the month of November were $247,132 (budget $392,559) or better than budget by $118,427 due to timing of insurance costs and lower than expected labor costs and scheduling of certain maintenance activities. A breakdown of operating costs for November and year to date are provided below:

Financial – Current Month

Month – November 2006			
	Actual	Budget	Variance
Personnel	218,061	255,465	37,404
Administrative	30,342	52,119	21,777
EH & S	2,286	2,000	(286)
Maintenance Expense	18,601	46,050	27,449
Operations Expense	10,912	36,925	26,013
Total	**$274,132**	**$392,559**	**$118,427**

Financial – Fiscal Year to Date

Number of Months - 5			
	Actual	Budget	Variance
Personnel	1,100,052	1,282,733	182,681
Administrative	431,587	472,830	41,243
EH & S	8,828	36,500	27,672
Maintenance Expense	163,890	283,250	119,360
Operations Expense	60,369	290,070	229,701
Total	**$1,764,726**	**$2,365,383**	**$600,657**

Year to date, Operations is below budget by almost 25% primarily due to lower than budgeted run times.

Purchased Power and Volumes and Pricing

Purchased power for the month of November is summarized below. This power serves to hedge or protect Dover from the volatility of the wholesale power markets.

Counterparty	Volume (MWh)	Average Cost ($/MWh)	Cost to Dover ($ millions)
BP	18,000	72.89	1.31
Constellation	26,400	77.31	2.04
WPS	16,320	68.20	1.11
Connective (Capacity Only)	303 (equivalent cost)	5.00 (equivalent cost)	1.52
Total Energy Purchases	60,720	73.58	4.47

Total volume of power delivered to the Dover bus was 58,141 MWh's allowing Dover to sell 2,579 MWh's to the PJM market for the month of November.

Summary of Dover Load Costs

Purchased Power (Hedges) 60,720 MWh's @ $73.58/MWh:	$4,467,826
Power sold to PJM (2,579 MWh's) and Additional PJM Related Costs[1]	$119,160
Total Cost to Serve Load (58,141 MWh's)	$4,586,986
All in $/MWh load cost inclusive of Energy Manager Fees	$82.89/MWh

Energy Manager Fees: $2.76 Fee + $1.24 Incentive = $4.00/MWh

[1] Includes transmission charges, reserve charges, etc. See Appendix 2 for details.

Purchased Commodity Gas Volumes and Pricing

Mild weather and lower loads in PJM yielded lower on and off-peak market prices which did not warrant running of either the McKee Run or Van Sant generators except for reliability purposes which they did on November 13th , 14th, 15th , 17th , 20th , 21st , 23rd , 28th and 29th.. Units ran on oil on the 28th and 29th.

Date	Volume (Dth)	Price ($/Dth)	Total Commodity Cost ($)
11/10	4,000	8.40	33,600
11/10	7,500	8.40	63,000
11/14	4,900	8.50	41,650
11/14	1,600	8.70	13,920
11/15	4,000	8.01	32,040
11/17	3,000	8.35	25,050
11/17	1,600	8.50	13,600
11/17	4,900	8.35	40,915
11/20	3,000	8.50	25,500
11/20	2,500	8.31	20,775
11/21	3,000	8.01	24,030
11/23	1,000	8.40	8,400
11/27	3,000	8.01	24,030
11/27	3,500	8.01	28,035
Total Cost	47,500	8.31	$394,545

Gas was purchased to maintain the fuel oil inventories at McKee Run and VanSant at approximately 140 degrees. A firm delivery of natural gas is required to maintain this temperature. This firm delivery base load gas supply has been purchased from the Hess Corporation. The Details of this deal are as follows:

Firm Gas Supply	Price Per dth	Total Cost
50 dth/day	$7.55	$11,330

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 prior period adjustments as follows:

ESNG FT Demand Charge	$4,342
TransCo FT Demand Charge	$3,192
Total Purchases	$7,534

Other Gas Purchases

Due to the units being run for reliability, gas was purchased from the pipeline. Pace Global Asset Management made every effort possible to minimize the cash out exposure of being long on the pipeline. Below are the imbalances and demand charges from Eastern Shore Pipeline.

Imbalance (dth)	Estimated $/dth	Estimated Total Cost
(194)	$7.36	($1,428)

Transport	Volume	Estimated $/dth	Estimated Total Cost
Firm	1,500	$0.017	($25.50)
IT	47,500	$0.5868	($27,873)

Purchased Commodity Fuel Oil Summary

While no fuel oil was purchased during the month November, No. 6 fuel oil did become less expensive then natural gas resulting in the following burns:

Beginning Inventory: 1,789,817 gallons	Burns (gallons)	Cost ($/gal and $/MMBtu)	Cost ($'s)
11/28	12,560	1.17 / 7.80	$14,465
11/29	35,399	1.17 / 7.80	$41,417
Total	47,959	1.17 / 7.80	$56,112
Ending Inventory 1,741858 gallons			

RISK MANAGEMENT

2006 - 2007 Power Year Hedge Position

As of December 5, estimated power consumption for Power Year 2006-2007 was hedged at 96% on peak and 100% off-peak. Hedge volumes are based on the three year historical load profile of Dover at the Dover bus prior to any distribution losses to the retail meter. As shown below at these hedge levels an all in price to Dover is estimated at $83.77/MWh for the 2006/2007 power year. The 10 day value at risk (with an adverse market movement in commodity and load following) could increase this target number to $85.40/MWh. Pace Global Asset Management continue to strive to lower these estimated costs through efficient dispatch of the generating assets.

Price Date	**Forward Hedge % Power Year 2006-07**	
12/05/2006 COB	**Peak**	**96%**
	Off Peak	**100%**
	At Market	At Market + Risk*
Energy Cost	**$72.02**	**$72.15**
Incentive Non-Energy Items		
LSE Capacity	$0.01	$0.01
Load Following	$3.50	$5.00
FRC Margin	$0.00	$0.00
	$3.51	$5.01
Pass-Through Items		
Transmission	$2.24	$2.24
Ancillary	$2.00	$2.00
Losses	$0.00	$0.00
	$4.24	$4.24
Add Pace Fees	$2.76	$2.76
Total Cost	**$82.53**	**$84.16**
Add Incentive	$1.24	$1.24
Current Expected	$83.77	$85.40

** Includes estimate of 10-Day VaR & LF Risk*

Includes actual through October 31, 2006

2007 - 2008 Power Year Hedge Position

For power year 2007-2008, the estimated power consumption was hedged 72%% on peak and 68% off-peak. Hedge volumes are based on the three year historical load profile at the Dover bus prior to any distribution losses to the retail meter. As shown below at these hedge levels an all in price to Dover is estimated at $83.41/MWh before any incentive fee. Incentive fee will be estimated once the benchmark cost of supply is established for the 2007-2008 power year. The 10 day value at risk (with an adverse market movement in commodity and load following) could increase this target number to $86.32/MWh. Pace Global Asset Management continue to strive to lower these estimated costs through efficient dispatch of the generating assets.

Price Date 12/05/2006 COB	**Forward Hedge % Power Year 2007-08**	
	Peak	**72%**
	Off Peak	**68%**
	At Market	At Market + Risk*
Energy Cost	**$72.90**	**$74.31**
Incentive Non-Energy Items		
LSE Capacity	$0.01	$0.01
Load Following	$3.50	$5.00
FRC Margin	$0.00	$0.00
	$3.51	$5.01
Pass-Through Items		
Transmission	$2.24	$2.24
Ancillary	$2.00	$2.00
Losses	$0.00	$0.00
	$4.24	$4.24
Add Pace Fees	$2.76	$2.76
Total Cost	**$83.41**	**$86.32**
Add Incentive Current Expected	$83.41	$86.32

** Includes estimate of 10-Day VaR & LF Risk*

Credit and Counterparty Position

Pace Global Asset Management continues to monitor the in the money or out of the money position with each of the power purchases Dover has transacted for to reduce it risk profile to its load obligations. Below are summaries or the power purchases made by Dover, their corresponding credit position, term, volumes and pricing.

Dover: Counterparty Credit Risk

Date: December 5, 2006

10-day Credit Risk ($000) - 97.5% Confidence Level

Counterparty	Credit Rating	Tenor (months)	Credit Limit	Comment	With Offsets				Without Offsets			
					Mark-to-Market	Low Price Outcome	High Price Outcome	Line Availability	Mark-to-Market	Low Price Outcome	High Price Outcome	Line Availability
BP Energy	AA-	1	$20,000	Moody's Credit Rating A1	($1,736)	($4,135)	$662	$20,000	$2,457	$1,513	$3,792	$17,543
Conectiv	BBB-	1	$10,000	Moody's Credit Rating Baa3	($150)	($682)	$381	$10,000	$9	$0	$381	$9,991
Constellation	AA-	1	$15,000	Moody's Credit Rating A1	($1,662)	($2,686)	($638)	$15,000	$15	$0	$146	$14,985
Sempra Energy Trading	AA	1	$20,000	Moody's Credit Rating TBD	($188)	($509)	$133	$20,000	$345	$190	$504	$19,655
WPS	AA-	1	$15,000	Moody's Credit Rating A1	($791)	($1,860)	$278	$15,000	$252	$79	$776	$14,748

2006-2007 power year transactions are cited below:

ID	Counterparty	Timeblock	Quality	Trade Date	Buy / Sell	Start Date	End Date	Volume	Allocation	Hedged Price
2	BP Energy	On Peak 5x16	Firm	6/22/2006	Buy	7/1/2006	6/30/2007	25	MW per hour	$90.25
7	BP Energy	Off Peak 5x8+2x24	Firm	6/22/2006	Buy	7/1/2006	6/30/2007	25	MW per hour	$57.70
1	Conectiv	On Peak 5x16	Firm	6/22/2006	Buy	7/1/2006	9/30/2006	25	MW per hour	$95.00
6	Conectiv	Off Peak 5x8+2x24	Firm	6/22/2006	Buy	7/1/2006	9/30/2006	25	MW per hour	$56.00
3	Constellation	On Peak 5x16	Firm	6/27/2006	Buy	7/1/2006	6/30/2007	50	MW per hour	$88.50
4	Constellation	On Peak 5x16	Firm	6/27/2006	Buy	7/1/2006	8/31/2006	30	MW per hour	$90.50
8	Constellation	Off Peak 5x8+2x24	Firm	6/27/2006	Buy	7/1/2006	6/30/2007	25	MW per hour	$57.75
9	Constellation	Off Peak 5x8+2x24	Firm	6/27/2006	Buy	7/1/2006	8/31/2006	25	MW per hour	$56.65
5	WPS	On Peak 5x16	Firm	7/12/2006	Buy	10/1/2006	6/30/2007	20	MW per hour	$84.71
10	WPS	Off Peak 5x8+2x24	Firm	7/12/2006	Buy	10/1/2006	6/30/2007	25	MW per hour	$56.65

Power year 2007-2008 transactions are cited below:

ID	Counterparty	Timeblock	Quality	Trade Date	Buy / Sell	Start Date	End Date	Volume	Allocation	Hedged Price
11	BP Energy	On Peak 5x16	Firm	10/13/2006	Buy	7/1/2007	9/30/2007	35	MW per hour	$72.65
12	BP Energy	On Peak 5x16	Firm	10/13/2006	Buy	10/1/2007	11/30/2007	20	MW per hour	$72.65
13	BP Energy	Off Peak 5x8+2x24	Firm	10/13/2006	Buy	7/1/2007	11/30/2007	25	MW per hour	$72.65
14	BP Energy	On Peak 5x16	Firm	10/16/2006	Buy	7/1/2007	6/30/2008	30	MW per hour	$75.65
15	BP Energy	Off Peak 5x8+2x24	Firm	10/16/2006	Buy	7/1/2007	6/30/2008	20	MW per hour	$75.65
16	Conectiv	On Peak 5x16	Firm	10/18/2006	Buy	7/1/2007	8/31/2007	20	MW per hour	$112.75
18	Conectiv	On Peak 5x16	Firm	10/19/2006	Buy	1/1/2008	2/29/2008	40	MW per hour	$100.50
17	Conectiv	Off Peak 5x8+2x24	Firm	10/18/2006	Buy	7/1/2007	8/31/2007	15	MW per hour	$63.25
19	Conectiv	Off Peak 5x8+2x24	Firm	10/19/2006	Buy	1/1/2008	2/29/2008	30	MW per hour	$65.25
21	Sempra Energy Trading	On Peak 5x16	Firm	10/20/2006	Buy	12/1/2007	12/31/2007	20	MW per hour	$69.95
23	Sempra Energy Trading	On Peak 5x16	Firm	10/20/2006	Buy	3/1/2008	3/31/2008	10	MW per hour	$70.10
25	Sempra Energy Trading	On Peak 5x16	Firm	10/20/2006	Buy	4/1/2008	4/30/2008	10	MW per hour	$58.35
34	Sempra Energy Trading	On Peak 5x16	Firm	10/31/2006	Buy	7/1/2007	12/31/2007	10	MW per hour	$85.40
20	Sempra Energy Trading	Off Peak 5x8+2x24	Firm	10/20/2006	Buy	9/1/2007	9/30/2007	10	MW per hour	$46.15
22	Sempra Energy Trading	Off Peak 5x8+2x24	Firm	10/20/2006	Buy	12/1/2007	12/31/2007	25	MW per hour	$69.95
24	Sempra Energy Trading	Off Peak 5x8+2x24	Firm	10/20/2006	Buy	3/1/2008	3/31/2008	20	MW per hour	$70.10
26	Sempra Energy Trading	Off Peak 5x8+2x24	Firm	10/20/2006	Buy	4/1/2008	4/30/2008	20	MW per hour	$58.35
27	WPS	On Peak 5x16	Firm	10/25/2006	Buy	12/1/2007	12/31/2007	20	MW per hour	$85.50
28	WPS	On Peak 5x16	Firm	10/25/2006	Buy	1/1/2008	2/29/2008	10	MW per hour	$101.00
29	WPS	On Peak 5x16	Firm	10/26/2006	Buy	7/1/2007	8/31/2007	20	MW per hour	$112.00
30	WPS	On Peak 5x16	Firm	10/26/2006	Buy	9/1/2007	9/30/2007	30	MW per hour	$77.00
32	WPS	On Peak 5x16	Firm	10/27/2006	Buy	10/1/2007	11/30/2007	20	MW per hour	$75.00
33	WPS	Off Peak 5x8+2x24	Firm	10/27/2006	Buy	7/1/2007	6/30/2008	10	MW per hour	$53.30

APPENDIX 1

NORTH AMERICAN ENERGY SERVICES NOVEMBER REPORT

APPENDIX 2

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.

	Generation	Load	Total
Balancing Spot Market Energy Charges	$164,242.89	($1,658.68)	$165,901.57
Day Ahead Spot Market Energy Charges	$117,946.39	$72,204.21	$45,742.18
Regulation Charges	($29,958.30)	($29,958.30)	$0.00
Synchronized Reserve Charges	($18,889.22)	($18,889.22)	$0.00
Balancing Operating Reserves Charges	($5,947.43)	($2,206.27)	($3,741.16)
Day Ahead Operating Reserves Charges	($3,711.35)	($3,711.35)	$0.00
Adj. to Balancing Operating Reserves Credits - Oct 2006	($66,022.00)	$0.00	($66,022.00)
Synchronous Condensing Charges	($919.17)	($919.17)	$0.00
Real-time Economic Load Response Program Charges	($976.61)	($976.61)	$0.00
Generation Deactivation (DPL Zone) Charges - Oct 2006	($5,035.62)	($5,035.62)	$0.00
Black Start Service Credits	$4,977.77	$0.00	$4,977.77
Reactive Supply and Voltage Control from Generation Sources Service Charges	($23,873.27)	($23,873.27)	$0.00
PJM Scheduling System Control and Dispatch Service Charges	($17,980.33)	($17,980.33)	$0.00
Transmission Owner Scheduling System Control and Dispatch Service Charges	($4,319.95)	($4,319.95)	$0.00
Black Start Service Charges	($1,198.48)	($1,198.48)	$0.00
Network Integration Transmission Service Charges	($146,881.20)	($146,881.20)	$0.00
Expansion Cost Recovery Charges	($445.25)	($445.25)	$0.00
Non-Firm Point-to-Point Transmission Service Credits	$1,310.71	$1,310.71	$0.00
Auction Revenue Rights Credits	$67,662.90	$67,662.90	$0.00
Transmission Losses (Point-to-Point) Credits	$2,552.95	$2,552.95	$0.00
PPA	($4,836.76)	($4,836.76)	$0.00
	$27,698.67	($119,159.69)	$146,858.36

Due to the Settlement of Transmission Rate Case ER05-515: Pepco/ Dpl the city is entitled to an estimated refund of $512,640 to be spread over 12 months beginning in June -06. The credit comes through on the PJM bill as a reduction in the rate charged by DPL for Network transmission service. Pace will track this credit to ensure the proper refund is received by the city. The savings by month is as follows:

June-06:	$91,577.42
July-06:	$94,630.00
Aug-06:	$94,630.00
Sept-06	$91,577.42
Oct-06	$94,630.00
Nov-06	$94,630.00 (being researched, appears to be an over refund)

Note: There will be many various prior period adjustments that will flow through on every invoice. These adjustments are for the most part small. However, unless the city has made an agreement these prior periods adjustment should be billed back to Duke.