*July 11, 2006*

DRAFT

*The Honorable Ruth Ann Minner*
*Governor, State of Delaware*
*Tatnall Building*
*William Penn Street, 2nd Fl.*
*Dover, DE 19901*

*Dear Governor Minner:*

*During their Regular Meeting of July 10, 2006, City Council accepted the recommendation of the Utility Committee to formally request that consideration be given to adjusting the current State Utility Tax so that revenue to the State is equal to last years. Inflationary power costs increases the utility tax to commercial and industrial customers throughout the State. An adjustment in the current rate can reflect a net increase of zero from the tax revenue from the electric rate increases throughout the State.*

*The consultant firm of Burns & McDonnell has provided the City with a Cost of Service Analysis that has projected that industrial customers can expect the largest percentage increase in the amount of utility taxes paid to the State due to the rise in electric rates. We believe this is also true in Delmarva's territory. As you are well aware, there are a large number of these types of businesses within the City of Dover and we would like to provide them with some incentive to remain. This proposed decrease in utility tax can also be used to attract additional businesses to Delaware.*

*Mr. Anthony DePrima, Dover's City Manager, has been directed by Council to communicate with other municipalities to gain support for the proposed cut in the utility tax.*

*On behalf of the Mayor and members of Council, we would appreciate any considerations that could be made during the State budget review process next year.*

*Sincerely,*

*Beverly C. Williams*
*Council President*

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*cc:* *Mayor and Council*
*Mr. DePrima, City Manager*
*Senator Still*
*Representative Stone*
*Representative Wagner*