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CITY OF NEWARK AND UNIVERSITY OF DELAWARE REACH AGREEMENT ON A LONG-TERM ELECTRIC SERVICE

Newark, DE (January 30, 2013) - After more than two years of negotiation the City of Newark and its largest electric customer, the University of Delaware, have settled terms of a successor Electric Service Agreement. The new fifteen-year agreement, which becomes effective June 1, 2013, replaces an agreement that had been in place since 1995. The parties agree that the new agreement adequately meets the needs of both organizations. The University receives benefits in the areas of cost control, allowance for self-generation, and some constraints on future rate increases. The City receives revenue stability and certainty which enhances its ability to plan for long-term infrastructure investments to assure future reliability to the entire community. Both organizations plan to work together on reliability and energy efficiency efforts.

“To the Newark community this fifteen-year agreement represents a stability regarding their electric rates as opposed to the burden of funding our electric infrastructure needs without the University as a customer,” said City Manager Carol Houck. “We are now in a position to plan for our electric system needs into the future during a time that may prove to be one of great change within the industry.” The agreement also includes a \$300,000 increase to the subvention the University pays to Newark. While this increase is credited back to the University in its electric delivery fees, it flows directly to the General Fund which supports all non-utility services offered by Newark.

Mayor Vance Funk says, “I am pleased that both organizations stuck it out during recent negotiations and delivered an agreement that serves the interests of both the University and Newark. This negotiation also provided the momentum for greater cooperation and partnership between our organizations which is of utmost importance.”

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