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February 27, 2009

Docketing Department  
Public Utilities Commission of Ohio  
180 E. Broad St.  
Columbus, Ohio 43266-0572

Re: Case No. 06-1268-EL-ATR

To Docketing:

Please accept for filing an original and eleven copies of the Dayton Power and Light Company's Petition in this case. I would appreciate your time-stamping the extra copy and returning it in the enclosed self-addressed envelope.

Sincerely,

A handwritten signature in cursive script that reads "Edward N. Rizer".

Edward N. Rizer

cc: James W. Burk, First Energy Corporation  
Marvin Resnik, AEP  
Amy Spiller, Duke Energy

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technician \_\_\_\_\_ Date Processed - MAR 02 2009

**BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO**

<b>In the Matter of the Petition of</b>	)	
<b>The Dayton Power and Light Company For</b>	)	
<b>Blanket Approval of Transactions Entered</b>	)	<b>Case No. 06-1268-EL-ATR</b>
<b>Into Pursuant to a Spare Transformer Sharing</b>	)	
<b>Agreement</b>	)	

**PETITION FOR APPROVAL  
OF TRANSACTIONS ENTERED INTO PURSUANT TO  
SPARE TRANSFORMER SHARING AGREEMENT**

The Dayton Power and Light Company (DP&L) is an electric light company and public utility as those terms are defined in §4905.03 (A)(4), Ohio Rev. Code, and §4905.02, Ohio Rev. Code, respectively. DP&L submits this Petition pursuant to §4905.48, Ohio Rev. Code. That statute provides that with the consent and approval of the Commission: "(B) Any public utility may purchase or lease the property, plant, or business of any other such public utility." and "(C) Any such public utility may sell or lease its property or business to any other such public utility." Commission approval is to be obtained by a petition (joint or otherwise), signed and verified by the president and secretary of each petitioner.

DP&L and Columbus Southern Power Company, Ohio Power Company, Duke Energy Ohio, The Cleveland Electric Illuminating Company, The Toledo Edison Company and Ohio Edison Company (collectively the Companies) have entered into a Spare Transformer Sharing Agreement (the Agreement) among themselves and electric utility companies which are not located in Ohio and, consequently, which are not subject to the Commission's jurisdiction. The Companies submitted the Agreement for Commission approval contemporaneously with their execution of the Agreement in 2006. A true and correct copy of the Agreement was attached to and made a part of that Petition. In the interest of efficiency and economy, the Agreement, which is in excess of 40 pages, is not reattached here. As a new party to the Agreement, DP&L

now seeks, with the approval of the Companies, approval by the Commission of its participation.

The Agreement provides for the sharing of voltage transformers in the event of a deliberate, documented attack of terrorism, as defined in the Homeland Security Act of 2002, Pub. L. No. 107-296 451, 116 Stat. 2005 (codified primarily at 6 U.S.C. 101 *et seq.*). Participating utilities to the Agreement agree to commit spare transformers, by voltage or equipment class, so that in the event of a clearly defined triggering event, an affected member of a particular class has a call right to purchase spare transformers committed by the participating utilities in such equipment class. The purchase price is either the replacement cost or net book value, as elected by the seller, plus appropriate loadings, transportation and taxes. The seller has the responsibility of informing the buyer of the estimated purchase price within three days of a call notice. No later than six (6) months after the agreed purchase, the seller will give the buyer written documentation of the seller's actual costs, expenses and tax liability, if any, attributable to the sale.

The Agreement is consistent with the public interest. The Companies and DP&L gain significant benefits from participating in this Agreement. In the event of a triggering incident on DP&L's or the Companies' systems, they will have access to a large number of spare transformers made available by the other signatories to the Agreement, thereby leading to the more prompt restoration of electric service. In the normal course of business, the Companies and DP&L can use the transformers included in this Agreement, but must take quick and prudent actions such as ordering a new transformer to acquire sufficient spares to meet the calculated minimum spare complement. The Agreement does not impact the ability of participants to use spares to replace failed units, sell or lease transformers to another utility, or retire older units.

Customers also will benefit from the Agreement. In the event that DP&L or one of the Companies would fall victim to a triggering event meeting the severity definition in the

Agreement, it would be able to acquire from other signatory electric utilities a number of available spare transformers to more promptly restore electric service to customers. The Agreement allows for a source of needed transformers that would be pre-identified, with financial arrangements pre-agreed upon, and priority of providing the units pre-established.

If a party is called upon under the terms of the Agreement to provide a transformer(s), the Agreement sets forth the procedure to be followed for the purchase or sale of the transformer(s). The seller shall deliver to the buyer a written notice setting forth the seller's calculation of the purchase price, together with written documentation of the seller's actual costs and expenses incurred, including seller's load out, transportation costs and tax liability, if any, attributable to the sale of the transformer(s).

To the extent such emergency transactions are required which involve DP&L or one or more of the Companies selling their transformer(s) to DP&L or one or more of the other Companies, those transactions are subject to the Commission's jurisdiction pursuant to §4905.48, Ohio Rev. Code. However, since the Agreement concerns transactions resulting only from a terrorist attack, it would be inefficient and result in service restoration delays if, at the time such transactions were necessary, the public utilities involved with the transactions had to file for and obtain Commission consent and approval.

Each party to the Agreement must obtain all required regulatory approvals concerning the Agreement before it is considered to be a participating utility. As previously mentioned, the Companies received approval in this docket by a Finding and Order dated December 13, 2006. DP&L now requests the Commission's approval of its participation in the Agreement. With this approval DP&L will be able to act promptly and in a cooperative fashion to restore service

to its, or the Companies' customers. This would be particularly important at a time of uncertainty caused by terrorist attacks.

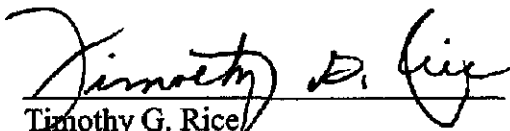
For these reasons, DP&L requests that this petition be granted.

Respectfully submitted,

THE DAYTON POWER AND LIGHT COMPANY



Paul M. Barbas  
President and Chief Executive Officer



Timothy G. Rice  
Vice President, Assistant General Counsel  
and Corporate Secretary



Edward N. Rizer  
Attorney

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing has been served electronically upon James Burk, First Energy Corporation, Marvin Resnik, AEP, and Amy Spiller, Duke Energy this 27th day of February, 2009.

A handwritten signature in cursive script, appearing to read "Edward N. Rizer".

Edward N. Rizer

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