

DP&L

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11-5567-EL-AIS

October 27, 2011

Via Fed Ex

Public Utilities Commission of Ohio
Docketing Division
180 East Broad Street
Columbus, OH 43215-3793

**Re: In the Matter of the Application of The Dayton Power and Light
Company for Authority to Issue and Assume Liability on Short-Term
Notes and Other Evidences of Indebtedness Pursuant to Section
4905.40 and 4905.401 of the Ohio Revised Code.**

Dear Sir/Madam:

Enclosed please find for filing the original and (11) eleven copies of the
Application of The Dayton Power and Light Company.

Please time-stamp and return the extra copy in the self addressed
stamped envelope provided. If you have any questions, please call Tim Rice at
937-259-7103.

Sincerely,

Jenna C. Johnson

Jenna Johnson
Administrative Assistant

Enclosures

This is to certify that the images appearing are an
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Technician ID Date Processed 10-28-11

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

| | | |
|---------------------------------------------|---|-------------------------|
| In the Matter of the Application of The |) | |
| Dayton Power and Light Company for |) | Case No. 11-5567-EL-AIS |
| authority to Issue and Assume Liability |) | |
| on Short-Term Notes and Other Evidences |) | |
| of Indebtedness Pursuant to Section 4905.40 |) | |
| and 4905.401 of the Ohio Revised Code |) | |
| |) | |

APPLICATION

The applicant, The Dayton Power and Light Company ("DP&L"), respectfully represents that:

1. DP&L is a corporation duly organized and existing under the laws of the State of Ohio, with its office and principal place of business in the city of Dayton, Ohio. As a public utility, as defined by 4905.02 of the Revised Code of Ohio, DP&L is subject to the jurisdiction of the Public Utilities Commission of Ohio ("the Commission").

2. By Finding and Order in Case No. 89-1374-EL-AIS, dated October 17, 1989, and subsequent Orders dated October 18, 1990, October 17, 1991, October 29, 1992 (Case No. 92-1760-EL-AIS), October 21, 1993 (Case No. 93-1588-EL-AIS), November 10, 1994 (Case No. 94-1555-EL-AIS), November 9, 1995 (Case No. 95-937-EL-AIS), November 7, 1996 (Case No. 96-1067-EL-AIS), November 13, 1997 (Case No. 97-1344-EL-AIS), November 5, 1998 (Case No. 98-1349-EL-AIS), November 4, 1999 (Case No. 99-1129-EL-AIS), November 9, 2000 (Case No. 00-1879-EL-AIS), November 29, 2001 (Case No. 01-2812-EL-AIS), December 5, 2002 (Case No. 02-2899-EL-AIS), November 6, 2003 (Case No. 03-1984-EL-AIS), December 4, 2004 (Case No. 04-1557-EL-AIS), December 14, 2005 (Case No. 05-1412-EL-AIS), November 28, 2006 (Case No. 06-1299-EL-AIS), December 19, 2007 (Case No. 07-1232-EL-AIS), December 10, 2008 (Case No. 08-1183-EL-AIS), December 9, 2009 (Case No. 09-1803-EL-AIS) and December 15, 2010 (Case No. 10-2629-EL-AIS), the Commission authorized DP&L to issue,

reissue and/or renew Notes, including Revolving Loan Agreement ("RLA") Loans (as defined in the original application) in the aggregate principal amount of up to \$300 million for periods of less than 12 months.

3. Paragraph 3 of DP&L's original application, relating to Notes or RLA Loans having a maturity of up to twelve months, requested authorization for a 12 month period, and allowance for annual renewal on the date of Commission authorization.

4. The original application was approved by the Commission on October 17, 1989 and subsequent applications were approved on the dates noted in Paragraph 2, above.

5. DP&L's current authority (Case No. 10-2629-EL-AIS) to issue Notes and other RLA Loans, not in excess of the aggregate amount of \$600 million, expires on December 31, 2011.

6. DP&L is now seeking to renew the authority, as generally provided in the Commission's Orders noted in Paragraph 2 above, to issue Notes, RLA loans, as well as other evidences of indebtedness for terms of less than twelve (12) months in an aggregate amount not to exceed \$600 million, inclusive of the statutorily exempted amount of short term debt issuable by DP&L in accordance with Revised Code Section 4905.401(A), which amount is currently \$46.3 million as shown in the calculation attached hereto as Exhibit A.

7. DP&L provides the Commission, as a part of this application, its income statement, cash flow statement and balance sheet as of September 30, 2011 as set forth on Exhibit B.

8. DP&L intends to use the proceeds from the Notes, RLA Loans or other evidences of indebtedness to fund its construction program and for other general corporate purposes pursuant to Revised Code Section 4905.401.

IN WITNESS WHEREOF, The Dayton Power and Light Company, by its Vice President and Treasurer, has filed this application to be executed on its behalf this 7th day of October, 2011.

The Dayton Power and Light Company

By Craig L. Jackson
Craig L. Jackson
Vice President and Treasurer

Timothy G. Rice
Timothy G. Rice, Trial Counsel (#0029581)
Attorney for The Dayton Power and Light Company
1065 Woodman Drive
Dayton, OH 45432
(937) 259-7103

STATE of OHIO,
COUNTY of MONTGOMERY, SS:

Before me, a Notary Public in and for the state and county aforesaid, personally came Craig L. Jackson to me personally known, who being first duly cautioned and sworn according to law, did depose and say that he is the Vice President and Treasurer of The Dayton Power and Light Company, an Ohio corporation, and that the facts set forth and allegations contained in the foregoing application are, as he believes, true.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by notarial seal this 7th day of October, 2011.

Timothy G. Rice
Notary Public



TIMOTHY G. RICE
Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration
Section 147.03 R.C.

Exhibit A

The Dayton Power and Light Company
Statutory Exemption Calculation as of September 30, 2011

Par Values of the outstanding securities of DP&L:

| | | |
|------------------------------|----|--------------------|
| Long-term Bonds and Notes | \$ | 903,400,000 |
| Preferred Stock at Par Value | | 22,900,000 |
| Common Stock at Par Value | | <u>412,000</u> |
| Total Par Value | \$ | <u>926,712,000</u> |
| Five Percent | \$ | <u>46,336,000</u> |

THE DAYTON POWER AND LIGHT COMPANY
CONDENSED STATEMENTS OF RESULTS OF OPERATIONS

| \$ in millions | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---------------------------------------|-------------------------------------|-----------------|------------------------------------|-------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues | \$ 466.8 | \$ 487.0 | \$ 1,339.2 | \$ 1,348.9 |
| Cost of revenues: | | | | |
| Fuel | 124.0 | 97.4 | 311.7 | 286.5 |
| Purchased power | 95.6 | 116.4 | 317.8 | 279.3 |
| Total cost of revenues | 219.6 | 213.8 | 629.5 | 565.8 |
| Gross margin | 247.2 | 273.2 | 709.7 | 783.1 |
| Operating expenses: | | | | |
| Operation and maintenance | 80.2 | 78.7 | 266.7 | 243.4 |
| Depreciation and amortization | 33.8 | 30.4 | 100.3 | 98.4 |
| General taxes | 33.2 | 32.2 | 97.6 | 94.0 |
| Total operating expenses | 147.2 | 141.3 | 464.6 | 435.8 |
| Operating income | 100.0 | 131.9 | 245.1 | 347.3 |
| Other income / (expense), net: | | | | |
| Investment income | 0.4 | 0.4 | 1.5 | 1.3 |
| Interest expense | (9.3) | (9.4) | (28.7) | (27.9) |
| Other expense | (0.4) | (0.3) | (1.2) | (1.4) |
| Total other income / (expense), net | (9.3) | (9.3) | (28.4) | (28.0) |
| Earnings before income tax | 90.7 | 122.6 | 216.7 | 319.3 |
| Income tax expense | 26.8 | 39.4 | 69.3 | 104.6 |
| Net income | 63.9 | 83.2 | 147.4 | 214.7 |
| Dividends on preferred stock | 0.2 | 0.2 | 0.6 | 0.6 |
| Earnings on common stock | \$ 63.7 | \$ 83.0 | \$ 146.8 | \$ 214.1 |

See Notes to Condensed Consolidated Financial Statements.
These interim statements are unaudited.

THE DAYTON POWER AND LIGHT COMPANY
CONDENSED STATEMENTS OF CASH FLOWS

| \$ in millions | Nine Months Ended September 30, | |
|-----------------------------------------------------------------------------------|------------------------------------|-----------------|
| | 2011 | 2010 |
| Cash flows from operating activities: | | |
| Net income | \$ 147.4 | \$ 214.7 |
| Adjustments to reconcile Net income to Net cash provided by operating activities: | | |
| Depreciation and amortization | 100.3 | 98.4 |
| Deferred income taxes | 56.1 | 36.9 |
| Unamortized investment tax credit | (2.1) | (2.1) |
| Changes in certain assets and liabilities: | | |
| Accounts receivable | 26.4 | 27.5 |
| Inventories | (11.5) | 10.3 |
| Prepaid taxes | (11.5) | (0.9) |
| Taxes applicable to subsequent years | 47.1 | 44.0 |
| Deferred regulatory costs, net | 7.9 | 7.0 |
| Accounts payable | (14.9) | (6.1) |
| Accrued taxes payable | (58.5) | (55.6) |
| Accrued interest payable | 7.4 | 2.2 |
| Pension, retiree and other benefits | (31.7) | (54.6) |
| Other | 24.4 | 16.3 |
| Net cash provided by operating activities | 286.8 | 338.0 |
| Cash flows from investing activities: | | |
| Capital expenditures | (139.9) | (112.3) |
| Other | 1.4 | 1.7 |
| Net cash used for investing activities | (138.5) | (110.6) |
| Cash flows from financing activities: | | |
| Dividends paid on common stock to parent | (180.0) | (150.0) |
| Dividends paid on preferred stock | (0.6) | (0.6) |
| Withdrawals from revolving credit facilities | 50.0 | - |
| Repayments of borrowings from revolving credit facilities | (50.0) | - |
| Net cash used for financing activities | (180.6) | (150.6) |
| Cash and cash equivalents: | | |
| Net change | (32.3) | 76.8 |
| Balance at beginning of period | 54.0 | 57.1 |
| Cash and cash equivalents at end of period | \$ 21.7 | \$ 133.9 |
| Supplemental cash flow information: | | |
| Interest paid, net of amounts capitalized | \$ 22.2 | \$ 27.6 |
| Income taxes paid, net | \$ 13.9 | \$ 60.7 |
| Non-cash financing and investing activities: | | |
| Accruals for capital expenditures | \$ 14.8 | \$ 14.1 |
| Long-term liability incurred for the purchase of assets | \$ 18.7 | \$ - |

See Notes to Condensed Consolidated Financial Statements.
These interim statements are unaudited.

THE DAYTON POWER AND LIGHT COMPANY
CONDENSED BALANCE SHEETS

| \$ in millions | At September 30, 2011 | At December 31, 2010 |
|-------------------------------------------------|-----------------------------|----------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 21.7 | \$ 54.0 |
| Accounts receivable, net (Note 2) | 152.5 | 178.0 |
| Inventories (Note 2) | 125.6 | 114.2 |
| Taxes applicable to subsequent years | 15.7 | 62.8 |
| Other prepayments and current assets | 45.2 | 42.7 |
| Total current assets | <u>360.7</u> | <u>451.7</u> |
| Property, plant and equipment: | | |
| Property, plant and equipment | 5,243.8 | 5,093.7 |
| Less: Accumulated depreciation and amortization | <u>(2,545.2)</u> | <u>(2,453.1)</u> |
| | 2,698.6 | 2,640.6 |
| Construction work in process | 118.0 | 119.6 |
| Total net property, plant and equipment | <u>2,816.6</u> | <u>2,760.2</u> |
| Other noncurrent assets: | | |
| Regulatory assets (Note 3) | 178.2 | 189.0 |
| Other deferred assets | 64.2 | 74.5 |
| Total other noncurrent assets | <u>242.4</u> | <u>263.5</u> |
| Total Assets | <u><u>\$ 3,419.7</u></u> | <u><u>\$ 3,475.4</u></u> |

See Notes to Condensed Consolidated Financial Statements.
These interim statements are unaudited.

THE DAYTON POWER AND LIGHT COMPANY
CONDENSED BALANCE SHEETS

| \$ in millions | At September 30, 2011 | At December 31, 2010 |
|---------------------------------------------------|-----------------------------|----------------------------|
| LIABILITIES AND SHAREHOLDER'S EQUITY | | |
| Current liabilities: | | |
| Current portion - long-term debt (Note 5) | \$ 0.4 | \$ 0.1 |
| Accounts payable | 75.1 | 95.7 |
| Accrued taxes | 70.3 | 66.6 |
| Accrued interest | 15.5 | 7.7 |
| Customer security deposits | 16.9 | 18.7 |
| Other current liabilities | 33.8 | 33.6 |
| Total current liabilities | <u>212.0</u> | <u>222.4</u> |
| Noncurrent liabilities: | | |
| Long-term debt (Note 5) | 903.0 | 884.0 |
| Deferred taxes (Note 6) | 656.4 | 598.0 |
| Regulatory liabilities (Note 3) | 133.1 | 124.0 |
| Pension, retiree and other benefits | 25.9 | 64.9 |
| Unamortized investment tax credit | 30.3 | 32.4 |
| Other deferred credits | 84.4 | 147.3 |
| Total noncurrent liabilities | <u>1,833.1</u> | <u>1,850.6</u> |
| Redeemable preferred stock | 22.9 | 22.9 |
| Commitments and contingencies (Note 14) | | |
| Common shareholder's equity: | | |
| Common stock, at par value of \$0.01 per share | 0.4 | 0.4 |
| Other paid-in capital | 782.8 | 782.4 |
| Accumulated other comprehensive loss | (15.1) | (20.2) |
| Retained earnings | 583.6 | 616.9 |
| Total common shareholder's equity | <u>1,351.7</u> | <u>1,379.5</u> |
| Total Liabilities and Shareholder's Equity | <u>\$ 3,419.7</u> | <u>\$ 3,475.4</u> |

See Notes to Condensed Consolidated Financial Statements.
These interim statements are unaudited.