

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF )  
THE DAYTON POWER AND LIGHT )  
COMPANY FOR AUTHORITY TO ISSUE )  
AND SELL AN AMOUNT NOT TO EXCEED )  
\$490 MILLION OF FIRST MORTGAGE )  
BONDS, DEBENTURES, NOTES, OR OTHER )  
EVIDENCES OF INDEBTEDNESS OR  
UNSECURED NOTES.

0893  
CASE NO. 13-\_\_-EL-AIS

APPLICATION

The Applicant, The Dayton Power and Light Company (the "Company"),  
respectfully represents and states:

1. The Company is a corporation 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 the Revised Code of Ohio (the "Code"), the Company is subject to the jurisdiction of the Public Utilities Commission of Ohio (the "Commission") under Sections 4905.02 and 4905.03 of the Code. The Company has filed the Application in this matter under the provisions of Sections 4905.40 and 4905.41 of the Code.

2. The Company proposes, with the necessary consent and authority of this Commission, to issue and sell, from time to time over a period ending December 31, 2013, up to \$490 million principal amount of First Mortgage Bonds, debentures, notes and/or other evidences of indebtedness, in one or more series, for terms not to exceed 30 years (the "New Bonds"). The proceeds from the sale of the New Bonds will be used to refinance outstanding First Mortgage Bonds, either by tender or call, and to pay for the

costs of the issuance of the new bonds. The securities to be refinanced are included as Exhibit A.

3. The terms of each offering of the New Bonds will be negotiated by the Company with a group of underwriters or placement agents headed by a managing underwriter or placement agent or co-managing underwriters or placement agents. The Company will file with the Securities and Exchange Commission one or more Registration Statements for the registration of the New Bonds. The Company requests that the Commission issue its order authorizing the issuance and sale of the New Bonds prior to the time the Company reaches agreement with respect to the terms and the sale of any of the New Bonds. The Company, in conjunction with its investment banker, has developed parameters under which the New Bonds are to be marketed. The parameters are based on current and historical financial market activity, financial and securities analysis, as well as the professional judgment of the Company and its investment banker. They are intended as a gauge of market expectations that provide a reasonable allowance for potential changes in financial market conditions between the time of Commission authorization and the actual sale of the New Bonds. The inclusion of the parameters within the Order will allow the Company to market the New Bonds when it believes it is prudent to do so provided that the negotiated terms are within the parameters. The authorization of the sale of the New Bonds within the parameters set forth herein in no way will relieve the Company of its responsibility to negotiate and obtain the best terms available, and therefore, it is appropriate and reasonable for this Commission to authorize the Company to agree to such terms and prices within the following parameters:

4. The Company will agree to (i) an offering price or a direct purchase price, for each offering of the New Bonds, no higher than 100% and no lower than 96% of the principal amount of the New Bonds, plus accrued interest, if any, (ii) an interest rate which will result in a yield to maturity to the purchasers at the initial public offering price or the direct purchase price not in excess of 6.0%, and (iii) underwriting discounts and commissions or agent's/agents' fees not in excess of 1.25% of the principal amount of the New Bonds sold, which will be negotiated between the Company and the underwriter or underwriters, placement agent or agents or direct purchaser(s) or agent(s) by means of arm's length bargaining under financial conditions existing at the time. Any redemption premiums, call provisions and sinking fund terms with respect to the New Bonds will also be established as a result of such negotiations.

5. The New Bonds may be issued under and secured by the First Mortgage, dated as of October 1, 1935, between the Company and The Bank of New York Mellon, Trustee, as previously amended and supplemented and to be supplemented by one or more supplemental indentures.

6. As a result of the issuance of the New Bonds and the anticipated redemption of certain First Mortgage Bonds, the Company's annual long-term interest charges are expected to change by an amount equal to the annual interest charges on the New Bonds plus amounts relating to the expenses incurred in connection with their issuance, and discounts or premiums, if any, less an amount equal to the interest charges and the unamortized expenses incurred, in connection with the issuance of, and unamortized discounts or premiums, if any, on the redeemed First Mortgage Bonds.

7. The Company will account for the expenses of the issue and sale of, and discounts or premiums, if any, on the New Bonds as prescribed in the Federal Energy Regulatory Commission Uniform System of Accounts as currently in effect.

8. The issue and sale of the New Bonds, from time-to-time, and the money to be procured thereby are reasonably necessary for the Company to refinance bonds.

9. The maximum amount of the New Bonds proposed to be sold is just and reasonable and the cost thereof is or will be just and reasonable.

10. The applicant states that its issuance of bonds is in accordance with the Company's electric transition plan as filed in Case No. 99-1687-EL-ATA and electric security plan as approved by the Commission in Case No. 08-1094-EL-SSO, respectively.

11. As promptly as practicable after the terms of each offering of the New Bonds are determined, the Company will file a written report with this Commission including, when applicable, the following information: the name(s) of the underwriter(s), if the New Bonds are sold in a public offering, or the name(s) of the purchaser(s), and the name(s) of the placement agent(s), if any, if the New Bonds are sold on a private placement basis; the aggregate principal amount to be issued and sold, and purchased by, each said underwriter or purchaser; the maturity date; the annual interest rate; the annual interest cost; the initial offering price or the price to the purchaser in a private placement of the New Bonds; the underwriting discount and price to underwriters or placement fee, if any; the effective cost of money to the Company; the redemption terms, if any; the sinking fund terms, if any; and such other information as the Commission may require.

12. There are attached hereto in support of this Application the following exhibits:

Exhibit A - Schedule of DP&L First Mortgage Bonds proposed for refinancing.

Exhibit B - Balance Sheet as of December 31, 2012, and Statement of Results of Operations for the twelve months ended December 31, 2012.

\* The following additional exhibits, if applicable, will be filed when available:

Exhibit C - Copy of Registration Statement/Offering Memorandum

Exhibit D - Form of Underwriting Agreement

Exhibit E - Form of Supplemental Indenture

WHEREFORE, the Company requests that an Order may be issued as follows:

(1) Authorizing the Company, on or before December 31, 2013, to issue and sell from time to time not to exceed \$490 million of one or more series of its First Mortgage Bonds, debentures, notes or other evidences of indebtedness upon the following terms and conditions: (i) an offering or direct purchase price, for each offering of New Bonds, no higher than 100% and no lower than 96% of the principal amount, plus accrued interest, if any, (ii) an interest rate which will result in a yield to maturity to the purchasers at the initial public offering price or direct purchase price not in excess of 6.0%, and (iii) underwriting discounts and commissions or agent's fees not in excess of 1.25% of the principal amount of the New Bonds sold, with each such issue and sale to be made pursuant to the terms and provisions of an underwriting or private placement purchase agreement.

(2) Authorizing the Company to enter into any requisite underwriting or private placement purchase agreement.

(3) Authorizing the Company to use the proceeds from the sale of the New Bonds to refinance outstanding First Mortgage Bonds, either by tender or call, to pay the costs of the issuance of the New Bonds and for general corporate purposes.

(4) Authorizing the Company to account for the expenses incident to the issue and sale of the New Bonds and discounts or premiums, if any, as prescribed in the Federal Energy Regulatory Commission Uniform System of Accounts as currently in effect.

(5) Because of current low spreads on the issuance of first mortgage bonds, the Company requests that an Order containing the authorizations requested, together with such other and further Orders as may be proper, be issued as soon as possible. The Company will be prepared to proceed by June 1, 2013.

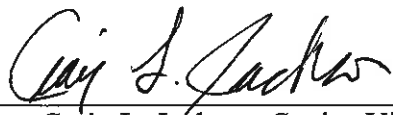
## EXHIBIT A

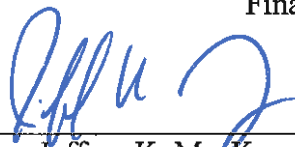
5.125% DP&L First Mortgage Bonds Series Due 2013	\$470,000,000
Redemption Costs	13,875,000*
Commissions	6,125,000*
 TOTAL	 \$490,000,000

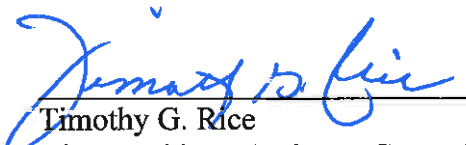
\*Estimates dependent on final pricing

IN WITNESS WHEREOF, The Dayton Power and Light Company, by its Senior Vice President and Chief Financial Officer and by its Vice President and Treasurer, has caused this Application to be executed on its behalf this 12<sup>th</sup> day of April, 2013.

THE DAYTON POWER AND LIGHT COMPANY

By   
Craig L. Jackson, Senior Vice President and Chief  
Financial Officer

And   
Jeffery K. MacKay, Vice President and Treasurer

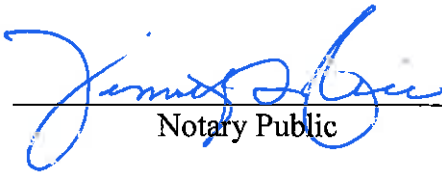
  
Timothy G. Rice  
Vice President, Assistant General Counsel and Corporate Secretary  
Trial Counsel  
The Dayton Power and Light Company



STATE OF OHIO, COUNTY OF MONTGOMERY, SS:

Before me, a Notary Public in and for the County and State aforesaid, personally came Craig L. Jackson and Jeffery K. MacKay, who being duly sworn, say that they are the Senior Vice President and Chief Financial Officer and Vice President and Treasurer, respectively, of The Dayton Power and Light Company, that they did sign the foregoing Application, and that the statements contained therein are true as they verily believe.

Sworn to before me and subscribed in my presence this 12<sup>th</sup> day of April, 2013.

  
Notary Public



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

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**4/16/2013 8:44:54 AM**

**in**

**Case No(s). 13-0893-EL-AIS**

Summary: Application In the Matter of the Application of The Dayton Power and Light Company for Authority to Issue and sell an amount not to exceed \$490 million of first mortgage bonds, debentures, notes, or other evidences of indebtedness or unsecured notes. electronically filed by Ms. Jenna C. Johnson on behalf of The Dayton Power and Light Company