

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The)	
Dayton Power and Light Company for)	Case No. 14- -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), December 15, 2010 (Case No. 10-2629-EL-AIS), December 14, 2011 (Case No. 11-5567-EL-

AIS), December 19, 2012 (Case No. 12-2950-EL-AIS), and December 18, 2013 (Case No. 13-2370-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 (in the original application) 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. 13-2370-EL-AIS) to issue Notes and other RLA Loans, not in excess of the aggregate amount of \$600 million, expires on December 31, 2014.

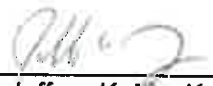
6. DP&L is now seeking to renew the authority, as generally provided in the Commission's Orders noted in Paragraph 2 above, to issue Notes, RLA loans, as well as other evidences of indebtedness for terms of less than twelve (12) months in an aggregate amount not to exceed \$600 million, inclusive of 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 \$45.0 million as shown in the calculation attached hereto as Exhibit A. Approval of this application by the Commission would continue our existing short term borrowing authority that has been in place since 2010.


7. DP&L provides the Commission, as a part of this application, its income statement, cash flow statement and balance sheet as of June 30, 2014 as set forth in 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 9th day of October, 2014.

The Dayton Power and Light Company

By 
Jeffrey K. MacKay
Vice President and Treasurer


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 Jeffrey K. MacKay 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 9th day of October, 2014.

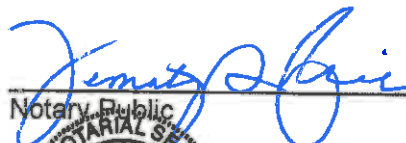


Notary Public

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 June 30, 2014**

Par Values of the outstanding securities of DP&L:

Long-term Bonds and Notes*	877,110,000
Preferred Stock at Par Value	22,851,000
Common Stock at Par Value	<u>412,000</u>
Total Par Value	<u>\$ 900,373,000</u>
Five Percent	<u>\$ 45,019,000</u>

FINANCIAL STATEMENTS
The Dayton Power and Light Company

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

\$ in millions	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenues	\$ 365.5	\$ 351.9	\$ 797.6	\$ 728.4
Cost of revenues:				
Fuel	58.6	84.7	142.9	172.9
Purchased power	136.9	72.3	304.9	166.3
Total cost of revenues	195.5	157.0	447.8	339.2
Gross margin	170.0	194.9	349.8	389.2
Operating expenses:				
Operation and maintenance	84.6	91.5	180.0	182.8
Depreciation and amortization	35.3	35.1	71.8	68.7
General taxes	20.5	19.4	46.9	39.2
Total operating expenses	140.4	146.0	298.7	290.7
Operating income	29.6	48.9	51.1	98.5
Other income / (expense), net:				
Investment income	0.1	1.5	0.4	1.6
Interest expense	(8.3)	(10.0)	(16.1)	(19.3)
Other expense	(1.5)	(3.7)	(2.1)	(4.3)
Total other expense	(9.7)	(12.2)	(17.8)	(22.0)
Earnings before income taxes	19.9	36.7	33.3	76.5
Income tax expense	6.0	6.4	10.0	16.0
Net income	13.9	30.3	23.3	60.5
Dividends on preferred stock	0.2	0.2	0.4	0.4
Income attributable to common stock	\$ 13.7	\$ 30.1	\$ 22.9	\$ 60.1

See Notes to Condensed Financial Statements.

These interim statements are unaudited.

THE DAYTON POWER AND LIGHT COMPANY
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

\$ in millions	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Net income	\$ 13.9	\$ 30.3	\$ 23.3	\$ 60.5
Available-for-sale securities activity:				
Change in fair value of available-for-sale securities, net of income tax (expense) / benefit of \$(0.1), \$1.0, \$0.1 and \$0.9 for each respective period	0.1	(1.9)	(0.2)	(1.6)
Reclassification to earnings, net of income tax expense of \$0.0, \$(0.5), \$(0.1) and \$(0.6) for each respective	1.0	0.2	1.1	
Total change in fair value of available-for-sale securities	0.1	(0.9)		(0.5)
Derivative activity:				
Change in derivative fair value, net of income tax (expense) / benefit of \$3.7, \$(1.7), \$10.6 and \$(0.2) for each respective period	(14.8)	3.1	(27.7)	0.5
Reclassification to earnings, net of income tax expense of \$(1.6), \$(1.0), \$(4.8) and \$(1.3) for each respective	6.4	1.3	12.1	1.1
Total change in fair value of derivatives	(8.4)	4.4	(15.6)	1.6
Pension and postretirement activity:				
Net loss, net of income tax expense of \$0.0, \$0.0, \$0.0 and \$0.0 for each respective period	-	0.9	-	1.8
Reclassification to earnings, net of income tax expense of \$(0.3), \$0.0, \$(0.7) and \$0.0 for each respective	0.8	-	1.4	
Total change in unfunded pension obligation	0.8	0.9	1.4	1.8
Other comprehensive income / (loss)	(7.5)	4.4	(14.2)	2.9
Net comprehensive income	\$ 6.4	\$ 34.7	\$ 9.1	\$ 63.4

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

Exhibit B

THE DAYTON POWER AND LIGHT COMPANY
CONDENSED STATEMENTS OF CASH FLOWS

\$ in millions	Six months ended June 30,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 23.3	\$ 60.5
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	71.8	68.7
Deferred income taxes	2.7	23.7
Changes in certain assets and liabilities:		
Accounts receivable	(0.3)	30.8
Inventories	(12.6)	9.1
Prepaid taxes	-	0.7
Taxes applicable to subsequent years	32.3	33.3
Deferred regulatory costs, net	(4.3)	8.0
Accounts payable	18.4	(10.6)
Accrued taxes payable	(31.6)	(29.8)
Accrued interest payable	0.1	0.5
Pension, retiree and other benefits	(6.2)	6.4
Unamortized investment tax credit	(1.3)	(1.3)
Other	(17.0)	(4.6)
Net cash from operating activities	75.3	195.4
Cash flows from investing activities:		
Capital expenditures	(53.0)	(66.8)
Purchase of emission allowances	(0.1)	-
Purchase of renewable energy credits	(1.4)	(1.8)
Decrease / (increase) in restricted cash	(11.4)	1.8
Proceeds from sale of property	0.4	-
Other investing activities, net	1.3	(1.2)
Net cash used for investing activities	(64.2)	(68.0)

THE DAYTON POWER AND LIGHT COMPANY
CONDENSED STATEMENTS OF CASH FLOWS (cont.)

\$ in millions	Six months ended June 30,	
	2014	2013
Net cash from financing activities:		
Dividends paid on common stock to parent	(15.0)	(130.0)
Dividends paid on preferred stock	(0.4)	(0.4)
Deferred finance costs	(0.2)	-
Retirement of long-term debt	(0.1)	(0.1)
Net cash from financing activities	(15.7)	(130.5)
Cash and cash equivalents:		
Net change	(4.6)	(3.1)
Balance at beginning of period	22.9	28.5
Cash and cash equivalents at end of period	\$ 18.3	\$ 25.4
Supplemental cash flow information:		
Interest paid, net of amounts capitalized	\$ 13.6	\$ 20.3
Income taxes paid / (refunded), net	\$ 0.2	\$ (19.8)
Non-cash financing and investing activities:		
Accruals for capital expenditures	\$ 7.9	\$ 9.4

See Notes to Condensed Financial Statements.

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Exhibit B

**THE DAYTON POWER AND LIGHT COMPANY
CONDENSED BALANCE SHEETS**

\$ in millions	June 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18.3	\$ 22.9
Restricted cash	24.4	13.0
Accounts receivable, net (Note 2)	147.1	147.5
Inventories (Note 2)	94.3	81.7
Taxes applicable to subsequent years	36.2	68.5
Regulatory assets, current (Note 3)	29.8	20.8
Other prepayments and current assets	52.6	32.5
Total current assets	<u>402.7</u>	<u>386.9</u>
Property, plant & equipment:		
Property, plant & equipment	5,144.1	5,105.3
Less: Accumulated depreciation and amortization	<u>(2,512.7)</u>	<u>(2,448.1)</u>
	2,631.4	2,657.2
Construction work in process	65.0	60.9
Total net property, plant & equipment	<u>2,696.4</u>	<u>2,718.1</u>
Other non-current assets:		
Regulatory assets, non-current (Note 3)	150.5	159.7
Intangible assets, net of amortization	5.6	8.3
Other deferred assets	30.5	40.1
Total other non-current assets	<u>186.6</u>	<u>208.1</u>
Total assets	\$ <u>3,285.7</u>	\$ <u>3,313.1</u>

See Notes to Condensed Financial Statements.

These interim statements are unaudited.

THE DAYTON POWER AND LIGHT COMPANY
CONDENSED BALANCE SHEETS

\$ in millions	June 30, 2014	December 31, 2013
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long-term debt (Note 5)	\$ 0.1	\$ 0.2
Accounts payable	84.4	73.9
Accrued taxes	83.4	81.0
Accrued interest	9.9	9.6
Customer security deposits	33.5	33.1
Other current liabilities	66.9	59.7
Total current liabilities	<u>278.2</u>	<u>257.5</u>
Non-current liabilities:		
Long-term debt (Note 5)	877.0	876.9
Deferred taxes	627.7	632.3
Taxes payable	42.6	76.5
Regulatory liabilities, non-current	122.6	121.1
Pension, retiree and other benefits	42.9	51.6
Unamortized investment tax credit	23.6	24.9
Other deferred credits	50.6	45.4
Total non-current liabilities	<u>1,787.0</u>	<u>1,828.7</u>
Redeemable preferred stock	22.9	22.9
Commitments and contingencies (Note 11)		
Common shareholder's equity:		
Common stock, at par value of \$0.01 per share:	0.4	0.4
Other paid-in capital	803.4	803.5
Accumulated other comprehensive loss	(40.9)	(26.7)
Retained earnings	434.7	426.8
Total common shareholder's equity	<u>1,197.6</u>	<u>1,204.0</u>
Total liabilities and shareholder's equity	\$ <u>3,285.7</u>	\$ <u>3,313.1</u>

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

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Commission of Ohio Docketing Information System on

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Case No(s). 14-1807-EL-AIS

Summary: Application 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 electronically filed by Ms. Jenna C. Johnson on behalf of The Dayton Power and Light Company