



December 15, 2014

Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: Docket #: 14-1297-EL-SSO

To the Commission:

As The Dayton Power and Light Company (DP&L) continues to plan for its future, we are closely monitoring a number of cases before the Commission including the one referenced above. While DP&L has no similar filing at this time, the company does share the concerns expressed about the future of Ohio's energy market. These concerns include: shale gas development and transport, grid congestion, energy efficiency, demand response, and carbon legislation. I firmly believe that how the state addresses these challenges will ultimately impact the price and the dependability of the electric supply on which families, businesses and future economic development depend.

As coal plants retire due to federal EPA mandates and business decisions, there will be fewer plants on-line for meeting electricity demand. Coal plant retirements are expected to outpace additions of new gas plants throughout PJM, (approximately 12,000MW of coal retirements by mid-2015 vs. 4,000MW of new capacity – mostly gas). However, during last winter's polar vortex, coal generation was critical to keeping the lights on and the grid stable. Mandate induced retirements place unnecessary stress on the electrical grid risking the system's ability to meet the needs of future peak demand days.

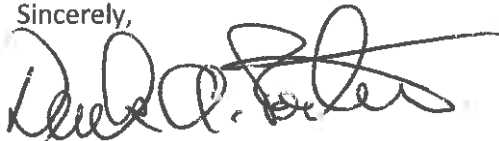
Additional challenges are created by the continuing insufficient PJM market revenues which have limited funds for plant maintenance. This has increased operational risk and threatens plant availability at critical times.

Dayton Power and Light is supportive of mechanisms that provide our customers long-term reliability and stable prices. As the Commission already understands, there are several concepts that can address these principles, such as changes to the capacity market. However, capacity market changes alone will be insufficient to prevent retirements of coal facilities. DP&L supports ongoing discussions regarding a Power Purchase Agreement (PPA) concept and believes a PPA concept is a key component to allowing reliable coal generation to continue operating and meeting the objectives of long-term reliability and stable prices.

DP&L views actions by federal and state leaders ensuring reliability, security of supply, and the stability of rates as crucial to our customers. A combination of the mechanisms cited above would protect pricing, keep jobs and people in Ohio, and build a stable electric platform for economic development.

Given the challenges to the electric system, as evidenced during the polar vortex and the environmental mandates on coal units, DP&L believes now is the time to plan for Ohio's long-term electric reliability and availability.

Sincerely,

A handwritten signature in black ink, appearing to read "Derek A. Porter", with a long horizontal flourish extending to the right.

Derek A. Porter
President & CEO

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 14-1297-EL-SSO

Summary: Correspondence Correspondence of The Dayton Power and Light Company electronically filed by Mrs. Karen M Boman on behalf of Sobecki, Judi L. Ms.