

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of )  
The Dayton Power and Light Company )  
For Authority to Borrow an Amount not to )  
Exceed \$210,000,000 from the Ohio Air )  
Quality Development Authority and for ) Case No. 15-634-EL-AIS  
Authority to Issue and Deliver Not More )  
Than \$210,000,000 Principal Amount of )  
First Mortgage Bonds, as Security and )  
Request for Expedited Treatment )

FINDING AND ORDER

The Commission finds:

- (1) Applicant, The Dayton Power and Light Company, is an Ohio corporation and a public utility, as defined in RC 4905.02 and 4905.03, subject to the jurisdiction of this Commission.
- (2) On April 1, 2015 Applicant filed its application and exhibits (Application), pursuant to R.C. 4905.40 and 4905.41.
- (3) Applicant proposes to enter into one or more loan agreements (the "Loan Agreements") with the Ohio Air Quality Development Authority (the "Authority"), pursuant to which the Authority will issue up to \$210 million aggregate principal amount of tax exempt revenue bonds (the "Bonds"), in one or more series, pursuant to the terms and conditions as set forth in the Application and Exhibits.
- (4) The Loan Agreements between the Applicant and the Authority will provide for the repayment by Applicant to the Authority of amounts sufficient to pay principal, purchase price or premium, if any, and interest on the Bonds. The Bonds will be special obligations payable solely out of revenues derived from the payments by Applicant under the Loan Agreements. Among other purposes this financing will help the Applicant to effectuate the transfer of its generation assets by January 1, 2017, in accordance with the Commission Order in Case No. 13-2420-EL-UNC, as more fully described in the Application.

- (5) The Bonds will be issued for a term or terms not to exceed 30 years, will include an obligation of the Applicant to repurchase the Bonds on the five year anniversary of close, and will bear a variable interest rate within the parameters as set forth in the Application.
- (6) Applicant states that it will issue first mortgage bonds, corresponding to the terms of the Bonds to secure its obligations under the Loan Agreements, as more fully described in the Application.
- (7) Applicant proposes to use the proceeds from the Loan Agreements to refund or refinance certain outstanding pollution control bonds, all pursuant to R.C. 4905.40.
- (8) The proposed guidelines or parameters set forth in the Application are intended to facilitate the issuance of the Bonds on the best terms possible and at lowest cost. The authorization to consummate these financial transactions, within the parameters set forth in the Application, in no way relieves the Applicant of its responsibility to negotiate and obtain the best terms available.
- (9) The aggregate principal amount of the Bonds, and the probable cost to Applicant and other terms thereof, which are to be no less favorable than the parameters set forth in the Application, do not appear to be unjust or unreasonable.
- (10) The effect on Applicant's revenue requirements resulting from the Securities can be determined only in rate proceedings in which all factors affecting rates are taken into account according to law.
- (11) Based on the information contained in the Application and the Exhibits attached thereto, the purposes to which the proceeds from the Loan Agreements shall be applied and the use of Interest Agreements appear to be reasonably required by Applicant to meet its present and prospective obligations to provide utility service and the Commission is satisfied that consent and authority should be granted.
- (12) The Commission finds that the authorization should be limited to a twelve month period from the date of this Order.

It is, therefore,

ORDERED, That Applicant, The Dayton Power & Light Company, be authorized for twelve months from the date of this Order, to enter into Loan Agreements with the Ohio Air Quality Development Authority, pursuant to which the Authority will issue up to \$210 million aggregate principal amount of its tax exempt revenue bonds, in one or more series, as set forth in the Application. It is, further,

ORDERED, That Applicant shall apply the proceeds from the Bonds for the purposes set forth in this Order and otherwise pursuant to the provisions of R.C. 4905.40. It is, further,

ORDERED, That after the Bonds authorized by this Order are issued, Applicant shall report to the Commission, as soon as practicable, but no later than 60 days after the issuance of the Bonds, the terms and full particulars regarding the Securities. It is, further,

ORDERED, That the authorization granted by this Order shall not be construed as limiting the Commission's determination of the appropriateness of the Securities for future ratemaking treatment. It is, further,

ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation by this Commission to assure completion of any specific construction project of the Applicant. It is, further,

ORDERED, That nothing in this Order shall be deemed to be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation of the Applicant. It is, further,

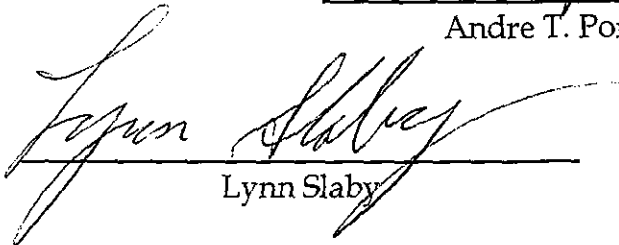
ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation as to the Bonds on the part of the State of Ohio. It is, further,

ORDERED, That a copy of this Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



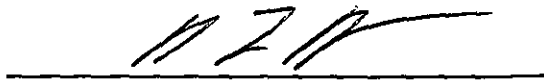
Andre T. Porter, Chairman



Lynn Slaby



M. Beth Trombold



Asim Z. Haque




Thomas W. Johnson

SUM/js

Entered in the Journal

**MAY 06 2015**



Barcy F. McNeal  
Secretary