

## **THE PUBLIC UTILITIES COMMISSION OF OHIO**

**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.**

**CASE NO. 17-2107-EL-AIS**

### **FINDING AND ORDER**

Entered in the Journal on December 20, 2017

#### **I. SUMMARY**

{¶ 1} The Commission authorizes The Dayton Power and Light Company to issue notes, revolving loan agreement loans, and other evidences of indebtedness for terms of less than 12 months in an aggregate amount not to exceed \$300 million, inclusive of any statutorily exempted amount of short-term debt issuable under R.C. 4905.401(A).

#### **II. DISCUSSION**

{¶ 2} The Dayton Power and Light Company (DP&L or the Company) is an electric light company and a public utility as defined in R.C. 4905.03(C) and R.C. 4905.02, respectively. Consequently, DP&L is subject to the jurisdiction of this Commission.

{¶ 3} Pursuant to R.C. 4905.401 and with Commission approval, a public utility that is an electric light company may issue notes or other evidences of indebtedness payable at periods of not more than 12 months. The statute provides an exemption from Commission approval where the electric light utility issues short-term indebtedness constituting less than five percent of the par value of all "stocks, bonds,

notes, and other evidences of indebtedness of [said] company then outstanding.” R.C. 4905.401(A).

{¶ 4} On October 10, 2017, DP&L filed an application for authority to issue notes, revolving loan agreement loans (RLA loans), and other evidences of indebtedness for terms of less than 12 months in an aggregate amount not to exceed \$300 million, inclusive of the approximately \$37 million of statutorily exempted short-term debt issuable by the Company under R.C. 4905.401(A). DP&L states that it is requesting Commission authorization for \$300 million of short term borrowing authority for the calendar year 2018, which is \$300 million less than the amount requested by the Company and authorized by the Commission for each of the past seven years. The Company notes that its current authority to issue notes and RLA loans expires on December 31, 2017. In support of its application, DP&L provides its income statement, cash flow statement, and balance sheet as of June 30, 2017.

{¶ 5} On November 16, 2017, Staff filed its review and recommendation regarding DP&L’s application. Staff notes that the Company proposes to use the proceeds from the requested debt to discharge or refund its long-term debt obligations and for other general corporate purposes. Staff further notes that, having completed the structural separation of its generation assets during 2017, DP&L believes that the requested authority provides the Company access to an adequate level of liquidity needed to support their local transmission and distribution operations. Staff asserts that the application is reasonable for DP&L’s size and operations and recommends its approval.

{¶ 6} Having considered both filings, the Commission finds that the application is reasonable and should be approved. The Commission finds that the amount and terms of the requested borrowing appear reasonably required for DP&L to meet its obligations to provide utility service. Thus, DP&L is authorized to issue

notes, RLA loans, and other evidences of indebtedness for terms of less than 12 months in an aggregate amount not to exceed \$300 million, inclusive of the statutorily exempted amount of short-term debt issuable by the Company under R.C. 4905.401(A). Additionally, the Commission finds that it is unnecessary to hold a hearing in this matter.

### III. ORDER

{¶ 7} It is, therefore,

{¶ 8} ORDERED, That DP&L's application be approved and DP&L be authorized to issue notes, revolving loan agreement loans, and other evidences of indebtedness for terms of less than 12 months up to \$300 million, inclusive of any statutorily exempted amount of short-term debt issuable by DP&L, through December 31, 2018. It is, further,

{¶ 9} ORDERED, That the authorization granted by this Finding and Order shall not be construed as limiting the Commission's determination of the appropriateness of DP&L's future long-term security offerings issued wholly or in part for the purpose of retiring its outstanding short-term evidences of indebtedness. It is, further,

{¶ 10} ORDERED, That nothing in this Finding and Order be construed to imply any guaranty or obligation as to the unsecured notes and other evidences of indebtedness or the associated interest on the part of the state of Ohio. It is, further,

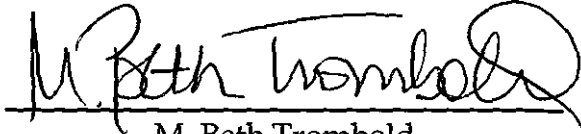
{¶ 11} ORDERED, That nothing in this Finding and Order be deemed to be binding upon the Commission in any future proceedings or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation of DP&L. It is, further,

{¶ 12} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

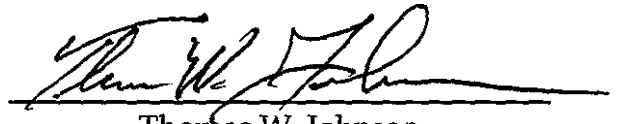
THE PUBLIC UTILITIES COMMISSION OF OHIO



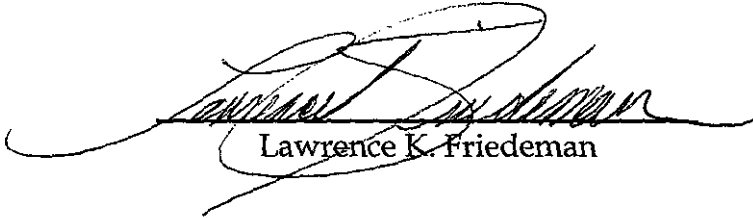
Asim Z. Haque, Chairman



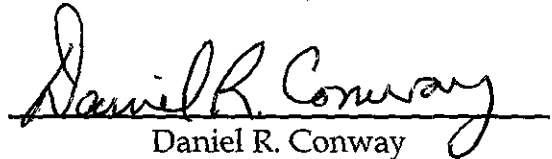
M. Beth Trombold



Thomas W. Johnson



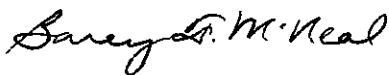
Lawrence K. Friedeman



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Barcy F. McNeal  
Secretary