BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The Dayton Power and Light Company to Increase Its Rates for Electric Distribution	:	Case No. 15-1830-EL-AIR
In the Matter of the Application of The Dayton Power and Light Company for Accounting Authority	:	Case No. 15-1831-EL-AAM
In the Matter of the Application of Dayton Power and Light Company for Approval of Revised Tariffs	:	Case No. 15-1832-EL-ATA

STIPULATION AND RECOMMENDATION

Pursuant to Ohio Adm.Code 4901-1-30, any two or more parties may enter into a written stipulation concerning a proposed resolution of some or all of the issues in a proceeding of the Public Utilities Commission of Ohio ("Commission"). This Stipulation and Recommendation ("Stipulation") sets forth the understanding and agreement of the parties that have signed below ("Signatory Parties"), who recommend that the Commission approve and adopt this Stipulation without modification to resolve all of the issues in the above-captioned proceeding.

This Stipulation reflects a just and reasonable resolution of the issues in this proceeding. It is the product of serious, arms-length bargaining among the Signatory Parties and those parties who chose not to sign this Stipulation ("Non-Opposing Parties") (all of whom are capable, knowledgeable, and represented by counsel), with the participation of the Staff of the Commission ("Staff"). All parties were invited to discuss and negotiate this Stipulation, and it was openly negotiated among those parties that chose to participate; no party was excluded from these negotiations. This Stipulation is supported by adequate data and information, and as a package, benefits customers and the public interest. This Stipulation violates no regulatory principle or practice; indeed, it complies with and promotes the policies and requirements of Title 49 of the Ohio Revised Code. This Stipulation accommodates the diverse interests represented by the Signatory Parties, and is entitled to careful consideration by the Commission.

WHEREAS, The Dayton Power and Light Company ("DP&L" or the "Company") is a public utility engaged in the business of supplying electric distribution service to more than 500,000 customers in West Central Ohio;

WHEREAS, DP&L's current base rates for electric distribution service were approved by the Commission using a date certain of March 31, 1991, and a test period of January 1 to December 31, 1991;[1]

WHEREAS, on November 30, 2015, DP&L filed the Application of The Dayton Power and Light Company to Increase Its Rates for Electric Distribution ("Application") using a date certain of September 30, 2015 ("Date Certain"), and a test period of June 1, 2015 to May 31, 2016 ("Test Period");

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[1] In the Matter of the Application of The Dayton Power and Light Company for Authority to Amend Its Filed Tariffs to Increase the Rates and Charges for Electric Service, Case No. 91-414-EL-AIR (Jan. 22, 1992 Opinion and Order). The distribution rates approved in that case were later unbundled from rates for transmission and generation service and frozen through December 31, 2012 by a series of Stipulation and Recommendations that were approved by the Commission. In the Matter of the Application of The Dayton Power and Light Company for Approval of Transition Plan Pursuant to 4928.31, Revised Code and for the Opportunity to Receive Transition Revenues as Authorized Under 4928.31 to 4928.40. Revised Code, Case No. 99-1687-EL-ETP (Sept. 21, 2000 Opinion and Order); In the Matter of the Continuation of the Rate Freeze and Extension of the Market Development Period for The Dayton Power and Light Company, Case No. 02-2779-EL-ATA (Sept. 2, 2003 Opinion and Order); In the Matter of the Application of The Dayton Power and Light Company for Approval of its Electric Security Plan, Case No. 08-1094-EL-SSO (June 24, 2009 Opinion and Order).

WHEREAS, on March 12, 2018, the Staff of the Commission, pursuant to R.C. 4909.19(C), submitted the findings of its investigation regarding the facts set forth in the Application and the exhibits attached thereto, and of the matters connected therewith ("Staff Report"); and

WHEREAS, the Signatory Parties agree that this Stipulation represents a just and reasonable resolution of all of the issues in this proceeding;

NOW, THEREFORE, in order to resolve all of the issues raised in this proceeding, the Signatory Parties stipulate, agree, and recommend that the Commission issue an Opinion and Order in this proceeding accepting and adopting this Stipulation without modification.

I. STAFF REPORT

1. The Signatory Parties agree that the Commission should adopt the findings and recommendations of the Staff Report, except as otherwise agreed in this Stipulation.

II. BASE DISTRIBUTION RATES

1. The Signatory Parties agree that the revenue requirement for DP&L's base rates for electric distribution service is $247,951,788 ("Stipulated Revenue Requirement"). The Signatory Parties further agree to the amounts set forth in Stipulated Schedule A-1, which is attached to this Stipulation as Exhibit 1.

2. The Signatory Parties, including Staff, recommend that the Commission adopt the proposal detailed in this paragraph. The Signatory Parties understand and agree that the full impact of the Tax Cuts and Jobs Act ("TCJA") has only been partially realized in these

proceedings and TCJA impacts will be resolved in their entirety in a subsequent proceeding(s) as described below. The Signatory Parties agree that the Stipulated Revenue Requirement includes necessary adjustments to implement the TCJA, with regard to the federal income tax expense and the gross revenue conversion factor. The Signatory Parties further agree that all excess accumulated deferred income taxes ("ADIT") resulting from the TCJA and the full balance of the regulatory liability ordered by the Commission effective January 1, 2018 in Case No. 18-47-AU-COI are not realized in these proceedings and TCJA impacts will be resolved in their entirety in a subsequent proceeding(s) as described below. The Company agrees that the savings from the TCJA, including the excess ADIT and the regulatory liability, constitute monies that must be returned to customers and the Company agrees to file an application in a subsequent proceeding(s) for the sole purpose of returning monies associated with the aforementioned items within the time periods described herein. By no later than January 1, 2019, DP&L shall calculate the net impact of the TCJA. By not later than March 1, 2019, the Company shall file an application to commence a proceeding limited to the sole issue of the TCJA refund as described herein (the "TCJA Application"). The distribution-related, eligible unprotected portion of the excess ADIT ("the Unprotected ADIT") and the regulatory liability relating to the January 10, 2018 Commission Order in Case No. 18-47-AU-COI will be returned to customers by the Company over an amortization period no greater than 10 years; however, the Company agrees that it will provide customers an aggregate refund of no less than $4.0 million per year for the first five years of the amortization period unless the refund of the Unprotected ADIT and the aforementioned regulatory liability is fully returned within the first five years. If any balance remains after the first five years of the amortization period, such remainder shall be returned to customers over a maximum of an additional five years. The distribution-related eligible protected excess ADIT will be returned to customers in accordance with Federal law. In Case

No. 18-47-AU-COI, the aforementioned TCJA Application, and any other proceeding addressing a return of the tax savings from the TCJA to DP&L's customers, DP&L agrees to withdraw and waive its arguments that a refund or credit of deferred amounts would be unlawful or unreasonable for any of the following reasons: (a) retroactive ratemaking or the filed-rate doctrine; (b) that the refund or credit would constitute an unlawful refund; (c) DP&L's ROE is too low; and (d) that the issues can be addressed only in a rate case.

3. The Signatory Parties agree that, pursuant to R.C. 4909.15(A)(2), a fair and reasonable rate of return for DP&L on the Stipulated Rate Base is 7.27% ("Stipulated Rate of Return"), which incorporates a return on equity of 9.999% and a cost of long-term debt of 4.8% ("Stipulated Cost of Debt").

4. The Signatory Parties agree that, pursuant to R.C. 4909.15(A)(1), the valuation of property of DP&L used and useful in rendering electric distribution service as of the Date Certain was $643,518,823 ("Stipulated Rate Base"). The Stipulated Rate Base includes the plant-in-service findings and recommendations in the Staff Report including a reduction of $2,007,847 to deferred income taxes associated with Staff's net plant adjustments and flow-through adjustments related to cash working capital. See Stipulated Schedule B-1, which is attached to this Stipulation as Exhibit 2.

5. The Signatory Parties agree that, pursuant to R.C. 4909.15(A)(4), the adjusted operating income during the Test Period was $23,424,847 ("Stipulated Operating Income"). In calculating the Stipulated Operating Income, the Signatory Parties implemented the following adjustment(s) to the recommendations in the Staff Report regarding DP&L's operating expenses:

a. An addition of $5,610,653 to reflect employee labor costs incurred by DP&L during the Test Period;

b. An addition of $1,910,790 to reflect property tax expense incurred by DP&L during the Test Period;

c. An addition of $5,000,000 included in the Stipulated Operating Expenses to reflect known increases in vegetation management; and

d. A reduction of $1,500,000 to test year revenues associated with Staff's adjustment for energy efficiency.

e. A reduction of $329,774 to test year expenses associated with Miscellaneous General Expenses.

III. RIDERS

1. The Signatory Parties agree that pursuant to the October 20, 2017 Opinion and Order in Case No. 16-395-EL-SSO, the Commission shall populate DP&L's Distribution Investment Rider ("DIR") in this proceeding, as follows:

a. The DIR shall commence coincident with the update to DP&L's base rates for electric distribution service approved in this proceeding;

b. The beginning DIR balance will include the balance of qualifying incremental investments placed in service from October 1, 2015 to the Commission's approval of this Stipulation;

c. The DIR shall be calculated using the tax rates enacted as part of the TCJA;

d. The DIR shall be subject to the following revenue caps:

2018	$1,200,000 per month effective with DIR commencement
2019	$22,000,000
2020	$29,000,000
2021	$37,000,000
2022	$44,000,000
2023	$43,000,000 (reflects proration through October 31, 2023).

Should DP&L fail to file a base distribution rate case on or before October 31, 2022, the DIR will sunset, and the DIR rate shall be set to zero, on November 1, 2022. If DP&L files a base distribution rate case on or before October 31, 2022 the DIR will sunset, and the DIR rate shall be set to zero, on November 1, 2023, unless otherwise approved as part of a new standard service offer. Upon approval of a subsequent rate case application, the DIR revenue caps for the remainder of the current SSO period (16-395-EL-SSO) will be re-established on a pro-rated basis, and the collection of revenue under the rider could begin, based upon the outcome of the subsequent rate case.

e. DP&L shall file quarterly updates on or about January 1st, April 1st, July 1st and October 1st, with rates effective 60 days after filing unless otherwise suspended by the Commission. The filings shall be subject to annual Commission review, audit, and reconciliation. Such audit shall include a determination of whether the distribution investments made are used and useful in rendering utility service to customers;

f. DP&L shall include in the DIR tariff language the following provision:

"This Rider is subject to reconciliation or adjustment, including but not limited to, increases or refunds. Such reconciliation or adjustment shall be limited to the 12-month period of expenditures upon which the rates were calculated, if determined to be unlawful, unreasonable, or imprudent by the Commission, or Supreme Court of Ohio in the docket those rates were approved, or the docket where the audit of those rates occurred."

g. DP&L may file an application with the Commission for battery storage projects related to distribution service. Interested parties may submit to DP&L requests to consider battery storage projects related to distribution service. DP&L may install battery storage projects for the purpose of deferring distribution circuit investments or addressing distribution reliability issues, and include those distribution plant investments in the DIR. Prior to including a battery storage investment in the DIR, DP&L agrees to meet with Staff and Signatory Parties prior to filing an application for pre-approval of a battery project. In a battery application, DP&L must demonstrate that the battery (or batteries) will be used for a distribution service and will qualify as distribution equipment under the FERC uniform system of accounts authorized to be included in the DIR (specifically Accounts 360 to 374).

h. The DIR shall be calculated using the same methodology reflected in Exhibit 3 to this Stipulation, which includes the after-tax weighted average cost of capital specified in Part II.3 above.

i. DP&L shall work with Staff and OCC to develop an annual plan to emphasize proactive distribution maintenance that will focus spending on where it will have the greatest impact on maintaining and improving reliability for customers. The plan shall specifically include identification of those expenditures that will help reduce customers' minutes interrupted. The plan shall be submitted to Staff and OCC annually starting on December 1, 2019. In lieu of the Staff Report recommendation that the DIR revenue caps be set to zero if the Company fails to comply with its Customer Average Interruption Duration Index ("CAIDI") and System Average Interruption Frequency Index ("SAIFI") performance standards, the Signatory Parties agree to the following. DP&L's CAIDI and SAIFI performance for 2018 will not be used to determine any penalty for non-compliance with Ohio Adm.Code 4901:1-10-10(E). Beginning with the 2019 CAIDI and SAIFI performance reported on or before March 31, 2020, if either performance standard is not achieved for two consecutive years, DP&L's DIR revenue cap increment will decrease by $2.0 million rather than being assessed a penalty or forfeiture due to a violation of Ohio Adm.Code 4901:1-10-10.

2. DP&L will dedicate up to $1.0 million in total capital investment eligible for DIR recovery, beginning in 2019, to fund distribution grid investments necessary to support installation of electric vehicle ("EV") charging infrastructure in the DP&L service territory. Specifically, through the DIR the Company may recover costs associated with investments for the meter and equipment in front of meter (i.e., on the Company's side of the meter) to support EV charging stations supported by grants awarded by the Ohio EPA pursuant to its Beneficiary Mitigation Plan for dollars allocated from the Volkswagen Mitigation Trust Fund. DP&L will commit to work with Ohio EPA and charging station host applicants within its service territory

to facilitate the installation of DC fast chargers under the Beneficiary Mitigation Plan, including but not limited to siting criteria. In consultation with the Staff and the Signatory Parties, the Company may develop a pilot EV tariff. This provision does not preclude DP&L from spending additional amounts in support of EV deployment and seeking cost recovery for such additional expenditures; however, this Stipulation does not provide any independent right for DP&L to obtain cost-recovery for amounts expended in support of EV deployment. DP&L further agrees to provide, upon reasonable request, information regarding the costs of these investments to any Signatory or Non-Opposing Party.

3. The Signatory Parties agree, that pursuant to the October 20, 2017 Opinion and Order in Case No. 16-395-EL-SSO, DP&L shall be permitted to implement Revenue Decoupling through its existing Decoupling Rider, as follows:

a. Revenue Decoupling shall employ a revenue per customer ("RPC") methodology and is applicable to tariff classes D17, D18, and D19 only. The calculation of the allowed RPC allocates the Stipulated Revenue Requirement to each tariff class based on the revenue allocations in the Staff Report and divides the result by the test year number of customers as filed in DP&L's Application. The resulting RPC is shown and calculated on Exhibit 4;

b. The Decoupling Rider will be set to zero with the implementation of this distribution rate case;

c. Beginning on January 1, 2019, the Decoupling Rider will be effective with a rate (or credit) calculated by taking the difference between the Stipulated

Revenue Requirement applicable to tariff classes D17, D18, and D19 and the Allowed Revenue Requirement. The Allowed Revenue Requirement will be calculated by multiplying the number of customers as of September 30, 2018 by the RPC that is shown in Exhibit 4;

d. For subsequent annual true-ups, the Decoupling Rider rate or credit will be calculated by taking the difference, whether positive or negative, between the updated Allowed Revenue Requirement (calculated by multiplying the updated number of customers by the RPC) and actual base distribution revenues for tariff classes D17, D18, and D19 in the calendar year. The Decoupling Rider will be reconciled on a calendar year basis and will be effective April 1st of each year;

e. The Decoupling Rider deferral balance (whether over or under) will include carrying costs at DP&L's Stipulated Cost of Debt;

f. The Decoupling Rider tariffs will be automatically implemented 60 days after the filing of the Company's Decoupling Rider filings, unless suspended by the Commission. The Decoupling Rider is subject to reconciliation or adjustment, including but not limited to, increases or refunds. Such reconciliation or adjustment shall be limited to the twelve-month period upon which the rates were calculated, if determined to be unlawful, unreasonable, or imprudent by the Commission, or the Supreme Court of Ohio, in the docket those rates were approved or the docket where the audit of those rates occurred;

g. The Decoupling Rider will be charged based on a percentage of base distribution revenue for each applicable tariff class individually; and

h. Pursuant to the Stipulation approved by the Commission in Case No. 17-1398-EL-POR, with the implementation of this distribution rate case, DP&L shall not be entitled to double collect the same revenue reductions through lost distribution revenues and decoupling charges simultaneously.

IV. OTHER

1. The Signatory Parties agree that DP&L is authorized to defer as a regulatory asset, for future recovery, with no carrying costs, annual expenses for vegetation management performed by third-party vendors as follows: for calendar year 2018 annual expenses which are incremental to the baseline of $10.7 million, subject to a $4.6 million annual cap, and for calendar year 2019 and thereafter annual expenses which are incremental to the Test Year expenses of $15.7 million, subject to a $4.6 million annual cap. Annual spending of less than the vegetation management baseline amount listed above will result in a reduction to the regulatory asset or creation of a regulatory liability.

2. Prior to filing its Distribution Infrastructure Modernization Plan in accordance with Case Nos. 16-395-EL-SSO *et al.*, and within 60 days of the filing of this Stipulation, DP&L will meet with Staff; the Environmental Law & Policy Center, Natural Resources Defense Council, Ohio Environmental Council, and Environmental Defense Fund ("Environmental Parties"); OCC; and any other interested stakeholders at least once to seek input and information relevant to formulate a proposal to facilitate electric vehicle adoption and deployment of electric vehicle charging infrastructure.

3. DP&L will meet with Staff, the Environmental Parties, and any other interested stakeholders, within 60 days of the filing of this Stipulation, to collaborate on developing a pilot plan with a goal of identifying for potential implementation "non-wires alternatives" (NWA) (*e.g.* energy efficiency, demand response, distributed generation, storage, or other non-wires alternatives) that could cost-effectively result in the deferral or avoidance of a distribution investment project. In its Distribution Infrastructure Modernization Plan filing, DP&L will propose to continue the effort as a Non-Wires Alternatives Pilot Collaborative. Six months after the filing of this Stipulation, DP&L and the Environmental Parties will each file a status report with the Commission describing progress toward developing an NWA pilot plan. DP&L will work to finalize an NWA pilot plan within 12 months of the filing of this Stipulation. To the extent a final NWA pilot is developed, DP&L also commits to file and seek approval of the final NWA pilot plan with the Commission within three months of finalizing the NWA pilot plan for approval by the Commission prior to implementation. To the extent the final NWA may lawfully be included in an appropriate regulatory mechanism, and cost-recovery is legally permissible, DP&L may seek recovery of prudently incurred cost for any implementation of a final NWA pilot plan. DP&L shall not implement the NWA pilot plan until it receives Commission approval. The Signatory Parties agree that nothing in this paragraph shall limit or restrict in any manner the rights of any of the Signatory or Non-Opposing Parties to make whatever arguments they deem appropriate in any proceeding relevant to the NWA Pilot or any cost recovery related thereto requested by DP&L. To the extent no final NWA pilot is developed, DP&L and the Environmental Parties will file a status report with the Commission explaining DP&L's decision not to pursue the NWA pilot plan within three months of the decision not to file the plan.

4. Nothing in this Stipulation prohibits DP&L from filing its next distribution rate case at any time.

V. RATES AND TARIFFS

1. The Signatory Parties agree that DP&L shall charge customers the rates set forth in the summary sheet for new rates attached to this Stipulation as Exhibit 5.

2. In accordance with Exhibit 5, the customer charge for residential customers shall be $7.00.

3. In accordance with Exhibit 5, the allocations to customer classes represent the Staff Report recommendations with a modification to the Secondary, Primary, and Primary-Substation classes, which reflects a compromise allocation between the Company's Application and the Staff Report.

4. DP&L agrees to waive the Contract Capacity Charge related to Redundant Service (aka "Alternate Feed Service") described in DP&L's current Tariff No. D10, any other applicable tariff, or any equivalent service until a final order is issued in DP&L's next base distribution rate case in the following manner. This waiver is applied to all OHA members regardless of whether or not these members are currently paying Redundancy/Alternate Feed Service charges or whether these OHA members require Redundancy/Alternate Feed Service in the future. This waiver shall not exempt OHA members from the capital costs associated with supplying a new redundant service feed, including throw-over and protective equipment.

5. DP&L will conduct a distribution interconnect feasibility study for the solar farm at the 16-acre brownfield located in Edgemont on the former General Motors factory site at the

intersection of Miami Chapel Road and Wisconsin Boulevard, the costs of which will not be recovered from customers.

VI. OTHER PROVISIONS

1. In arm's-length bargaining, the Signatory Parties have negotiated terms and conditions that are embodied in this Stipulation. This Agreement involves a variety of difficult, complicated issues that would otherwise be resolved only through expensive, complex, protracted litigation. This Stipulation contains the entire agreement among the Signatory Parties, and embodies a complete settlement of all claims, defenses, issues and objections in this proceeding. The Signatory Parties agree that this Stipulation is in the best interest of the public and urge the Commission to adopt it.

2. DP&L will rely on the Staff Report and may offer its testimony and exhibits as evidentiary support of this Stipulation. DP&L will file supplemental testimony in support of this Stipulation. Except as modified by this Stipulation or the Staff Report, DP&L's Application in this proceeding is approved. Nothing in this subsection prohibits any Signatory Party from filing testimony or submitting evidence in support of the Stipulation.

3. This Stipulation is a consensus among the Signatory Parties of an overall approach to ratemaking in this proceeding. It is submitted for the purposes of this case alone and should not be understood to reflect the positions that an individual Signatory Party may take as to any individual provision of the Stipulation standing alone, nor the position a Signatory Party may have taken if all of the issues in this proceeding had been litigated. Nothing in this Stipulation shall be used or construed for any purpose to imply, suggest or otherwise indicate that the results produced through the compromise reflected herein represent fully the objectives of any Signatory

Party. This Stipulation is submitted for purposes of this proceeding only, and is not deemed binding in any other proceeding, except as expressly provided herein, nor is it to be offered or relied upon in any other proceedings, except as necessary to enforce the terms of this Stipulation. The willingness of Signatory Parties to sponsor this document currently is predicated on the reasonableness of the Stipulation taken as a whole. The Signatory Parties will support this Stipulation if it is contested.

4. This Stipulation is conditioned upon adoption of the Stipulation by the Commission in its entirety and without material modification. If the Commission rejects or materially modifies[2] all or any part of this Stipulation, any Signatory or Non-Opposing Party shall have the right to apply for rehearing. If the Commission does not adopt the Stipulation without material modification upon rehearing, or if the Commission makes a material modification to any Order adopting the Stipulation pursuant to any reversal, vacation and/or remand by the Supreme Court of Ohio, then within thirty (30) days of the Commission's Entry on Rehearing or Order on Remand any Signatory or Non-Opposing Party may withdraw from the Stipulation by filing a notice with the Commission ("Notice of Withdrawal"). No Signatory or Non-Opposing Party shall file a Notice of Withdrawal without first negotiating in good faith with the other Signatory and Non-Opposing Parties to achieve an outcome that substantially satisfies the intent of the Stipulation. If a new agreement achieves such an outcome, the Signatory and Non-Opposing Parties will file the new agreement for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are unsuccessful, and a Signatory or Non-Opposing Party files a Notice of Withdrawal, then the Commission will convene an evidentiary hearing to afford that Signatory or Non-Opposing Party

[2] Each Signatory and Non-Opposing Party has the right, in its sole discretion, to determine whether the Commission's approval of this Stipulation constitutes a "material modification" thereof.

the opportunity to contest the Stipulation by presenting evidence through witnesses, to cross-examine witnesses, to present rebuttal testimony, and to brief all issues that the Commission shall decide based upon the record and briefs. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are successful, then some or all of the Signatory and Non-Opposing Parties shall submit the amended Stipulation to the Commission for approval after a hearing if necessary.

IN WITNESS THEREOF, the undersigned Signatory Parties agree to this Stipulation and Recommendation this 18th day of June, 2018. The undersigned Signatory Parties request that the Commission issue an Opinion and Order approving and adopting this Stipulation.

THE DAYTON POWER AND LIGHT COMPANY

By: /s/ Jeffrey S. Sharkey
Jeffrey S. Sharkey

STAFF OF THE PUBLIC UTILITIES COMMISSION OF OHIO

By: /s/ Thomas McNamee
(per authorization)
Thomas McNamee

THE OFFICE OF THE OHIO CONSUMERS' COUNSEL

By: /s/ Christopher Healey
(per authorization)
Christopher Healey

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By: /s/ Michael L. Kurtz
(per authorization)
Michael L. Kurtz

THE KROGER COMPANY

By: /s/ Angela Paul Whitfield
(per authorization)
Angela Paul Whitfield

WAL-MART STORES EAST, LP and SAM'S EAST, INC.

By: /s/ Carrie M. Harris
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Carrie M. Harris

OHIO HOSPITAL ASSOCIATION

By: /s/ Devin D. Parram
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By: /s/ Samantha Williams
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By: /s/ Miranda Leppla
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By: /s/ Ellis Jacobs
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OHIO PARTNERS FOR AFFORDABLE ENERGY

By: /s/ Colleen L. Mooney
(per authorization)
Colleen L. Mooney

IN WITNESS THEREOF, the undersigned Non-Opposing Parties agree not to challenge this Stipulation and Recommendation this 18th day of June, 2018.

INDUSTRIAL ENERGY USERS-OHIO

By: /s/ Matthew R. Pritchard
(per authorization)
Matthew R. Pritchard

OHIO MANUFACTURERS' ASSOCIATION ENERGY GROUP

By: /s/ Kimberly W. Bojko
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ONE ENERGY ENTERPRISES, LLC

By: /s/ Katie Johnson Treadway
(per authorization)
Katie Johnson Treadway

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Stipulation and Recommendation has been served via electronic mail upon the following counsel of record, this 18th day of June, 2018.

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EXHIBIT 1

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR

Overall Financial Summary

Schedule A-1
Page 1 of 1

Line No.	Description	Stipulated Jurisdictional Test Year
(A)	(B)	(C)
1	Stipulated Rate Base	$ 643,518,823
2		
3	Stipulated Operating Income	$ 23,424,847
4		
5	Earned Rate of Return	3.64%
6		
7	Stipulated Rate of Return	7.27%
8		
9	Required Operating Income	$ 46,783,818
10		
11	Operating Income Deficiency	$ 23,358,972
12		
13	Gross Revenue Conversion Factor	1.275097
14		
15	Revenue Deficiency	$ 29,784,955
16		
17	Stipulated Revenue Increase	$ 29,784,955
18		
19	Adjusted Operating Revenues	$ 218,166,833
20		
21	Stipulated Revenue Requirement	$ 247,951,788

EXHIBIT 2

The Dayton Power and Light Company
Case No. 15-1830-EL-AIR

Jurisdictional Rate Base Summary
As of September 30, 2015

Schedule B-1

Line No.	Description		Stipulated Amount
(A)	(B)		(C)
1	Plant in Service		
2	Production	$	-
3	Transmission	$	-
4	Distribution	$	1,494,435,485
5	General	$	9,639,952
6	Other: Intangible	$	25,305,660
7	Total Plant In Service	$	1,529,381,097
8			
9	Reserve for Accumulated Depreciation		
10	Production	$	-
11	Transmission	$	-
12	Distribution	$	695,057,490
13	General	$	(4,970,577)
14	Other: Intangible	$	11,715,900
15	Total Reserve for Accumulated Depreciation	$	701,802,813
16			
17	Net Plant In Service	$	827,578,284
18			
19	Construction Work In Progress 75% Complete	$	-
20			
21	Working Capital Allowance	$	2,240,507
22			
23	Customers' Advances for Construction	$	(466,036)
24			
25	Other Rate Base Items	$	(185,833,933)
26			
27	Jurisdictional Rate Base	$	643,518,823

EXHIBIT 3

The Dayton Power and Light Company

Case No. 15-1830-EL-AIR
Distribution Investment Rider
Revenue Requirement Calculation

Line No. (A)	Description (B)	Stipulated Amounts as of September 30, 2015 (C)	March 31, 2018 (D)	
	Rate Base			
1	Gross Distribution Plant	$ 1,345,230,954	$ 1,422,599,647	
2	Accumulated Depreciation on Distribution Plant	$ 642,166,933	$ 717,388,560	
3	Net Distribution Plant In Service	$ 703,064,021	$ 705,211,087	Line 1 - Line 2
4				
5	Accumulated Deferred Income Taxes on Distribution Plant	$ (147,941,796)	(84,657,529)	
6				
7	Distribution Rate Base for DIR	$ 555,122,225	$ 620,553,558	Line 3 + Line 5
8				
9	Return on Rate Base	8.58%	8.58%	
10	Return on Rate Base	$ 47,629,487	$ 53,243,495	Line 7 * Line 9
11				
12	Incremental Return on Rate Base		$ 5,614,008	Line 10, Col (D) - Col (C)
13				
14	Depreciation, Taxes Other than Income and O&M			
15	Depreciation Expense	$ 38,359,093	$ 40,280,597	
16	Property Tax Expense	$ 44,978,513	$ 49,594,872	
17				
18	Total Depreciation, Other Taxes and O&M Before CAT	$ 83,337,606	89,875,469	Line 15 + 16
19				
20	Incremental Depreciation, Taxes Other than Income and O&M (Pre Tax)		$ 6,537,863	Line 18 Col D - Col C
21	Incremental Commercial Activities Tax		1.0026	
22				
23	Incremental Depreciation, Taxes Other than Income and O&M (Post Tax)		$ 6,554,861	Line 20 * Line 21
24				
25	Revenue Requirement			
26	Total DIR Revenue Requirement		$ 12,168,870	Line 12 + Line 23

EXHIBIT 4

The Dayton Power & Light Company
Case No. 15-1830-EL-AIR

Distribution Decoupling Rider – Calculation of Revenue Per Customer (RPC)

Sheet No. (A)	Tariff Class Description (B)	Test Year Customers (C) (C-11)	Revenue Allocation (D)	Base Distribution Revenue (E) (E) = (G)*(D)	RPC (F) (F) = (E)/(C)
D22	High Voltage	9	0.05%	$ 123,976	$ -
D20	Primary	462	6.59%	$ 16,340,023	$ -
D21	Primary Substation	8	0.35%	$ 867,831	$ -
D17	**Residential**	**346,652**	**46.20%**	**$ 114,554,916**	**$ 330.46**
D18	**Residential Heat**	**111,160**	**20.18%**	**$ 50,035,481**	**$ 450.12**
D19	**Secondary**	**56,858**	**25.15%**	**$ 62,359,875**	**$ 1,096.77**
D25	Street Lighting	223	0.35%	$ 867,831	$ -
D23	Private Outdoor Lighting	-	1.12%	$ 2,777,060	$ -
Applicable Customer Classes		**(G) Stipulated Rev. Req.**		**$ 247,951,788**	

EXHIBIT 5

Exhibit 5

The Dayton Power and Light Company
Case No 15-1830-EL-AIR
Rate & Revenue Summary

		Billing Determinants				Rates				Revenue and Allocation	
Line No.	Description	Customer Bills	kWh	kW	kVar	Customer Charge	kWh	kW	kVar	Revenue Requirements	% Allocation
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1	RESIDENTIAL										
2	Residential Non-Heating	4,173,016	3,425,120,929			$ 7.00	$ 0.0233154			$ 109,069,332	
3	Residential Non-Heating-Employee	13,041	10,159,595			$ 7.00	$ 0.0233154			$ 328,162	
4	Residential Heating	1,340,092	1,810,219,986			$ 7.00	$ 0.0233154			$ 51,586,730	
5	Residential Heating-Employee	4,281	6,928,695			$ 7.00	$ 0.0233154			$ 191,513	
6	Total Residential	5,530,430								$ 161,175,737	**66.38%**
7											
8	SECONDARY										
9	Unmetered Secondary Service	27,260				$ 14.16				$ 385,873	
10	Secondary Single Phase	445,903				$ 16.73				$ 7,461,991	
11	Secondary Three Phase	184,553				$ 25.77				$ 4,755,648	
12		657,716		12,939,870				$ 3.6569905		$ 47,320,983	
13	Secondary Single Phase-MAX	22,639				$ 16.73				$ 378,854	
14	Secondary Three Phase-MAX	13,007				$ 25.77				$ 335,170	
15		35,646	38,960,607				$ 0.0112602			$ 438,704	
16	Total Secondary									$ 61,077,224	**25.15%**
17											
18	PRIMARY										
19	Primary	5,492	2,820,450,998	5,984,586	3,498,042	$ 242.12		$ 2.0325100	$ 0.6984153	$ 15,936,540	
20	Primary-MAX	232	3,467,905			$ 242.12	$ 0.0051169			$ 73,917	
21	Total Primary									$ 16,010,457	**6.59%**
22											
23	PRIMARY SUBSTATION										
24	Primary Substation	96		1,106,925	626,001	$ 463.47		$ 0.6144982	$ 0.2058894	$ 853,583	**0.35%**
25											
26	TRANSMISSION VOLTAGE SERVICE										
27	High Voltage	108	975,140,514			$ 1,124.11				$ 121,404	**0.05%**
28											
29	STREET LIGHTING SERVICE										
30	Street Lighting	2,656	54,279,372			$ 8.60	$ 0.0152357			$ 849,827	**0.35%**
31											
32	PRIVATE OUTDOOR LIGHTING SERVICE										
33							Item Charge				
34	Pole Charges	116,246					$ 1.32			$ 153,987	
35	Ornamental Pole Charges	1,320					$ 1.32			$ 1,749	
36	Aerial Spans	155,040					$ 0.60			$ 92,651	
37	Fixtures	331,080					$ 1.06			$ 350,945	
38	9500 Lumen High Pressure Sod.	10,740				$ 9.11				$ 97,825	
39	28000 Lumen High Pressure Sod.	5,784				$ 9.11				$ 52,683	
40	7000 Lumens Mercury	194,316				$ 9.11				$ 1,769,913	
41	21000 Lumens Mercury	21,228				$ 9.11				$ 193,354	
42	2500 Lumens Incandescent	36				$ 9.11				$ 328	
43	7000 Lumens Fluorescent	108				$ 9.11				$ 984	
44	4000 Lumens PT Mercury	552				$ 9.11				$ 5,028	
45	Total Private Outdoor Lighting Service									$ 2,719,446	**1.12%**
46											
47	**BASE DISTRIBUTION REVENUE**									**$ 242,807,679**	**100.00%**
48											
49	OTHER MISCELLANEOUS REVENUE										
50	Total Other Operating Revenue									$ 5,113,684	
51	Off-peak Meter Surcharge									$ 30,425	
52											
53	TOTAL REVENUE									$ 247,951,788	
54											
55	Current Distribution Revenue 12 months April 2018 (Distribution & Decoupling)									$ 240,939,397	
56	**Increase to Current Revenue**									**$ 7,012,391**	
57	**% Increase to Current Revenue**									**2.91%**	