

BEFORE

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) Case No. 06-1299-EL-AIS
Notes and Other Evidences of Indebtedness)
Pursuant to Section 4905.40 and 4905.401)
of the Ohio Revised Code.)

FINDING AND ORDER

The Commission finds:

- (1) Applicant, The Dayton Power and Light Company, an Ohio corporation, is a public utility as defined in Section 4905.02, Revised Code, and is subject to the jurisdiction of this Commission.
- (2) This Application is filed under the provisions of Section 4905.401, Revised Code.
- (3) Applicant is requesting consent and authority to issue, reissue, and/or renew Notes, including a Revolving Loan Agreement ("RLA"), payable at periods of not more than 12 months, in an aggregate principal amount not to exceed \$300 million, pursuant to the terms and conditions as set forth in the Application.
- (4) Pursuant to Section 4905.401, Revised Code (the "Statutory Exemption"), Applicant was permitted to have outstanding notes and other evidences of short-term indebtedness, issuable without prior authorization of this Commission, in the amount of approximately \$40.5 million, as of September 30, 2006. Applicant had no short-term debt outstanding as of October 31, 2006.
- (5) Applicant's existing authority (Case No. 05-1412-EL-AIS) to issue Notes, including RLA Loans, not in excess of the aggregate amount of \$200 million, expires on December 13, 2006.

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- (6) The proceeds from the Notes and the RLA Loans will be used for funding Applicant's construction program and for other general corporate purposes, all pursuant to Section 4905.401, Revised Code.
- (7) The Commission is of the opinion that Applicant's short-term indebtedness, including RLA Loans, should be in compliance with Applicant's electric transition plan as approved by this Commission in Case No. 99-1687-EL-ETP.
- (8) Based on information contained in the Application, the purposes to which the proceeds from the Notes, including RLA Loans, shall be applied appear to be reasonably required for Applicant's lawful capital purposes and the Commission is satisfied that consent and authority should be granted.

It is, therefore,

ORDERED, That Applicant is hereby authorized to issue, reissue, and/or renew Notes, including RLA Loans, maturing at periods of not more than 12 months, in the aggregate principal amount of up to \$300 million, including the Statutory Exemption, through November 27, 2007, pursuant to the terms and conditions as set forth in the Application. It is, further,

ORDERED, That Applicant shall apply the proceeds from the Notes and RLA Loans for the purposes set forth in this Order and otherwise pursuant to the provisions of Section 4905.401, Revised Code. It is, further,

ORDERED, That Applicant's short-term indebtedness, including RLA Loans, shall be in compliance with Applicant's electric transition plan as approved by this Commission in Case No. 99-1687-EL-ETP. It is, further,

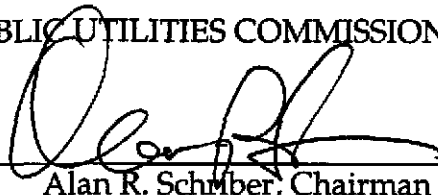
ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation as to the Notes or RLA Loans, or the interest thereon, on the part of the State of Ohio. It is, further,

ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation by the 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. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman



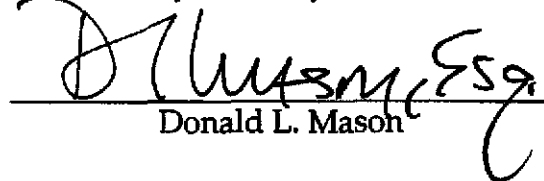
Ronda Hartman Fergus



Judith A. Jones



Valerie A. Lemmie

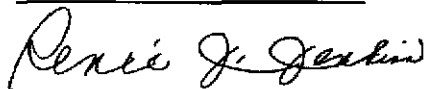


Donald L. Mason

JH:djb

Entered in the Journal

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Renee J. Jenkins
Secretary