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PUCO

December 26, 2008

Betty McCauley- Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street, 13th Floor
Columbus, OH 43215-3793

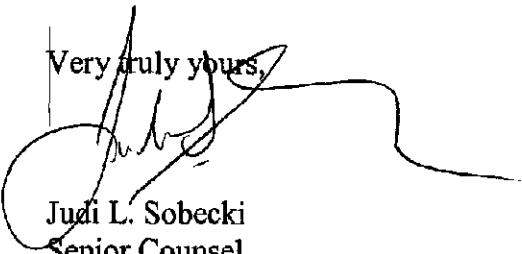
RE: Case No. 08-1332-EL-AAM

Dear Ms. McCauley:

Enclosed for filing please find an original and ten copies of the Application of The Dayton Power and Light Company for Authority to Modify Its Accounting Procedure for Certain Storm-Related Service Restoration Costs. I ask that you kindly time-stamp the additional copy and return it to me in the enclosed self-addressed, stamped envelope.

Thank you for your assistance and attention to this matter. If you have any questions, please call me at (937) 259-7171.

Very truly yours,



Judi L. Sobecki
Senior Counsel

Enclosure

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The)	
Dayton Power and Light Company for)	Case No. 08-____-EL-AAM
Authority to Modify Its Accounting)	
Procedure for Certain Storm-Related)	
Service Restoration Costs)	

APPLICATION

1. The Dayton Power and Light Company ("DP&L" or "the Company"), is a public utility as defined in §4905.02 and 4905.03, Ohio Rev. Code.

2. The Company is applying for authority, pursuant to §4905.13, Ohio Rev. Code, to defer as regulatory assets the portion of its Operation and Maintenance (O&M) expenses associated with restoring electric service to its customers in the aftermath of Hurricane Ike's destructive wind storm beginning on September 14, 2008. The Company proposes to defer these O&M expenses for future recovery from all customers under the authority granted in a previously approved PUCO order, over a twelve-month period, beginning at a date determined in a future Commission proceeding. Until fully recovered, the Company will apply a carrying charge, based on its actual cost of debt of 5.86% as filed in Case No. 08-1094-EL-SSO on the unrecovered deferral balance and defer such carrying charge for future recovery.

3. The portion of the O&M expenses the Company proposes to defer is the amount by which the total O&M expenses associated with the Hurricane Ike-related service restoration expenses and other storms experienced in 2008 exceeds the three-year average service restoration O&M expenses associated with major storms.

4. The Company's current distribution rates have been set pursuant to the terms of the Commission's Opinion and Order in the Company's ETP proceeding - Case No. 99-1687-EL-ETP. The ETP Opinion and Order provides authority for the adjustment of distribution rates by an application under Section 4909.18, Revised Code, "to reflect . . . relief from storm damage expenses." (Opinion and Order, p. 5 September 25, 2000). This present application is consistent with the Commission-approved application in Case No. 05-1090-EL-ATA.

5. In Case No. 05-1090-EL-ATA the Commission authorized the Company to recover O&M expenses associated with extraordinary ice storms that struck the Company's service territory in December 2004 and January 2005. The basis for the Company's application in that proceeding included not only the Commission-approved settlements in the Company's Electric Transition Plan proceeding (Case No. 99-1687-EL-ETP), but also the Commission-approved RSP (Case No. 02-2779-EL-ATA), which authorized the adjustments permitted in the ETP, including storm damage expenses.

6. Beginning on September 14, 2008, unpredicted severe winds associated with Hurricane Ike caused extraordinarily extensive damage to the Company's distribution system facilities. Sustained winds in excess of 80 MPH across the state remained in areas for several hours causing large trees and associated debris to come into contact with distribution power lines and equipment. Of the Company's approximate 515,000 customers, nearly 300,000 were without power at the height of the storm. More than 1,700 individuals were deployed to restore service, including assistance from as far away as New York, Massachusetts and New Jersey. More than 849 distribution poles, 514 cross arms, 1,220 cutouts/arrestors, 6,576 insulators and 680 transformers were

damaged. In addition, approximately 45 miles of wire and cable were damaged and required repair or replacement.

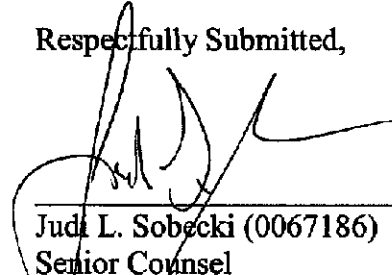
7. The provision of the Company's RSP permitting the recovery of storm restoration costs through its distribution rates clearly has been triggered by the impact of Hurricane Ike. Therefore, the Companies' application is authorized by the Opinion and Order in its RSP case.

8. The Company at this time is not requesting to commence recovery of O&M expenses associated with repairing/replacing those distribution facilities damaged by Hurricane Ike. Instead, it seeks approval for deferring the related O&M expenses and the resultant carrying costs as described above.

9. The Commission concluded in Case No. 05-1090-EL-ATA that the ETP Stipulation and the RSP Stipulation, provided for the recovery of storm damage expenses through an application for tariff approval pursuant to Section 4909.18, Revised Code and that distribution rates could be adjusted to obtain relief from storm damage expenses by an application (Finding and Order, 3, July 12, 2006).

WHEREFORE, the Company requests that the Commission grant the accounting authority requested in this application.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Judi L. Sobecki', is written over a horizontal line.

Judi L. Sobecki (0067186)

Senior Counsel

THE DAYTON POWER AND LIGHT
COMPANY

1065 Woodman Drive

Dayton, OH 45432

Telephone: (937) 259-7171

Fax: (937) 259-7178

Email: judi.sobecki@dpline.com

Counsel for the Dayton Power and Light
Company