

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The AES)
Corporation, Dolphin Sub, Inc., DPL Inc.)
and The Dayton Power and Light) Case No. 11-3002-EL-MER
Company for Consent and Approval for a)
Change of Control of The Dayton Power)
and Light Company.)

ENTRY

The Commission finds:

- (1) On May 18, 2011, The AES Corporation (AES), its subsidiary, Dolphin Sub, Inc. (Merger Sub), along with DPL Inc., and its subsidiary, The Dayton Power and Light Company (DP&L), jointly filed an application for the Commission's approval of a merger of Merger Sub and DPL Inc.¹
- (2) According to the application, the change of control transaction will result in the acquisition of DPL Inc. as a wholly owned subsidiary of AES. The applicants state that Merger Sub, a wholly owned subsidiary of AES, formed for the purpose of effecting the merger, would merge with and into DPL Inc. Merger Sub would cease to exist, and DPL Inc. would survive as a wholly owned subsidiary of AES. Following the completion of the transaction, according to the application, AES shall own all of DPL Inc.'s outstanding shares of common stock. The applicants provide that as consideration for the proposed merger, DPL Inc.'s current shareholders would receive \$30 in exchange for each DPL Inc. share. DPL Inc.'s shares would no longer be publicly traded.
- (3) The application provides that following the merger, through December 31, 2013, AES shall not cause DPL Inc., and DP&L,

¹ On May 26, 2011, DPL Inc., DP&L, AES, and Merger Sub filed a joint motion to establish deadlines for interested persons to file initial and reply comments, and to hold motions to intervene in abeyance.

to implement any involuntary workforce reductions. It further provides that DPL Inc. and DP&L shall maintain its local decision making authority and operating headquarters in Dayton, Ohio for a period of at least two years. Further, the applicants contend that the merger will benefit customers, as DP&L will continue to build on what has made it an efficient, reliable utility, while receiving the benefits of the AES group's technical expertise and global resources.

- (4) The applicants declare that the change-of-control transaction promotes the public convenience and provides for continued reliable service at reasonable rates. Therefore, the applicants request that the Commission expedite the procedural schedule, and approve the merger.
- (5) Section 4905.402(B), Revised Code, states in pertinent part:

No person shall acquire control, directly or indirectly, of . . . a domestic electric utility or a holding company controlling a domestic electric utility unless that person obtains the prior approval of the public utilities commission under this section. To obtain approval the person shall file an application with the commission demonstrating that the acquisition will promote public convenience and result in the provision of adequate service for a reasonable rate, rental, toll, or charge. The application shall contain such information as the commission may require. If the commission considers a hearing necessary, it may fix a time and place for hearing. If, after review of the application and after any necessary hearing, the commission is satisfied that approval of the application will promote public convenience and result in the provision of adequate service for a reasonable rate, rental, toll, or charge, the commission shall approve the application and make such order as it considers proper. If the commission fails

to issue an order within thirty days of the filing of the application, or within twenty days of the conclusion of a hearing, if one is held, the application shall be deemed approved by operation of law.

- (6) As described in the application, the proposed transaction will result in a change in the control of a holding company controlling a domestic electric utility. Therefore, the Commission is statutorily required to determine whether or not approval of the application will promote public convenience and result in the provision of adequate service for a reasonable rate.
- (7) The Commission finds that, in order to fulfill its statutory obligation, it is necessary to investigate the proposed transaction more than is possible by merely reviewing the filings by the joint applicants. Therefore, we find that it is appropriate to suspend this matter such that it is not deemed approved by the operation of law on the thirty-first day subsequent to the filing of the application.
- (8) In order to begin the process of determining the nature and scope of our review of this matter, the Commission finds that it is appropriate to allow the filing of comments by interested persons. Therefore, any interested person may file comments, no later than July 18, 2011. The comments should specifically identify and discuss the issues which the Commission should consider. Replies to those comments may be filed no later than August 18, 2011. Following the receipt of the comments and replies, the Commission will determine the scope and nature of its review.

It is, therefore,

ORDERED, That approval of this application is hereby suspended as described in finding (7). It is, further,

ORDERED, That comments may be filed no later than July 18, 2011, and replies may be filed no later than August 18, 2011, as described in finding (8). It is, further,

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


THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Paul A. Centolella

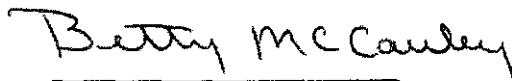

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