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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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

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**STIPULATION AND RECOMMENDATION  
WITH CERTAIN INTERESTED PERSONS**

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Ohio Administrative Code Rule 4901-1-30 provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in that proceeding. This Stipulation and Recommendation ("Stipulation") sets forth the understanding of the parties that have signed below (the "Signatory Parties"). The Signatory Parties recommend that the Public Utilities Commission of Ohio ("Commission") approve and adopt, as part of its Opinion and Order, this Stipulation which will resolve all of the issues in the above-captioned proceeding.

WHEREAS, on April 19, 2011, DPL Inc., The AES Corporation, and Dolphin Sub, Inc. ("Merger Sub") signed an Agreement and Plan of Merger;

WHEREAS, as a result of the proposed merger, Merger Sub 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;

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WHEREAS, on May 18, 2011, Applicants AES, Merger Sub, DPL, and The Dayton Power and Light Company ("DP&L") filed an Application requesting that the Commission approve the merger;

WHEREAS, on July 18, 2011, Ohio Partners for Affordable Energy ("OPAE") and other interested persons filed comments regarding the proposed merger, and on August 18, 2011, Applicants, The Ohio Hospital Association ("OHA"), and other interested persons filed reply comments regarding the proposed merger.

NOW, THEREFORE, for the purposes of resolving all issues raised in this proceeding, the Signatory Parties stipulate, agree and recommend as follows:

1. The Signatory Parties support the merger, and urge the Commission to issue a prompt approval of the merger. The Signatory Parties do not believe that a hearing is necessary in this matter.
2. AES agrees to maintain DP&L's operating headquarters in Dayton, Ohio, and DP&L's name for at least five (5) years following the effective date of the merger. AES may include a designation or line specifying that DP&L is an AES company or affiliate, or member of the AES family of companies.
3. For three (3) years following the effective date of the merger, Applicants agree not to implement any involuntary workforce reductions that result in DPL Inc. and DP&L employing less than ninety percent (90%) of the number of individuals in the aggregate who are employed (exclusive of officers and management employees covered by a change in control agreement) the day before the merger closes.
4. Applicants agree that costs incurred directly related to the negotiation, approval and closing of the merger will not be recovered from ratepayers or through regulated rates.
5. OHA: In view of the needs for reliable and cost-effective electricity service of OHA's member hospitals, and the benefits to those hospitals from energy efficiency and peak demand reduction programs, after the final approval by this Commission of the merger, Applicants shall pay a total of Seventy Five Thousand Dollars and No Cents (US\$75,000.00) to OHA to assist its member hospitals to participate in those programs. The payment shall be due on or before

December 31, 2013. OHA agrees not to seek any payments from DP&L for the year 2013 in connection with any proceeding before this Commission.

6. OPAE:
  - a. Applicants agree to maintain customer service representatives who are knowledgeable about options available to low-income customers.
  - b. After the final approval by this Commission of the merger, Applicants shall pay a total of \$400,000 to OPAE to benefit electric consumers at or below 200% of the federal poverty line or consumers who demonstrate they are at-risk of losing electric service. The payment shall be due on or before December 31, 2013. The contribution shall be made directly to OPAE, as a Section 501(c)(3) entity, which will handle the distribution of funds to agencies providing Emergency Home Energy Assistance Program (E-HEAP) benefits in the service territory of The Dayton Power and Light Company. OPAE agrees not to seek any additional payments from DP&L for the purpose of providing bill payment assistance for the year 2013 in connection with any proceeding before this Commission.
7. In arm's-length bargaining, the Signatory Parties have negotiated terms and conditions that are embodied in this Stipulation. This Stipulation contains the entire Agreement among the Signatory Parties, and embodies a complete settlement of all of their claims, defenses, issues and objections in these proceedings. The Signatory Parties agree that this Stipulation is in the best interests of the public and of all parties, and urge the Commission to adopt it.
8. This Stipulation 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 it 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. As with such Stipulations reviewed by the Commission, the willingness of Signatory Parties to sponsor this document currently is predicated on the reasonableness of the Stipulation taken as a whole.
9. The Signatory Parties will support the Stipulation if the Stipulation is contested, and including support of it in an application for rehearing.
10. This Stipulation is conditioned upon adoption of the Stipulation by the Commission in its entirety and without material modification.

IN WITNESS THEREOF, the undersigned parties agree to this Stipulation and Recommendation with Certain Interested Persons as of this 14<sup>th</sup> day of September, 2011. The undersigned parties respectfully request the Commission to issue its Opinion and Order approving and adopting this Stipulation.

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## **CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing Stipulation and Recommendation with Certain Interested Persons has been served via electronic mail upon the following counsel of record, this 19<sup>th</sup> day of September, 2011:

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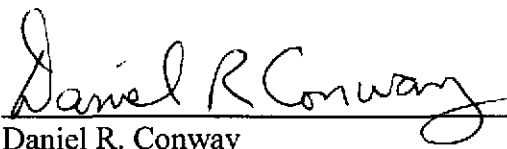
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