

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 SELL AN AMOUNT NOT TO)
EXCEED \$490 MILLION OF FIRST)
MORTGAGE BONDS, DEBENTURES,)
NOTES, OR OTHER EVIDENCES OF)
INDEBTEDNESS OR UNSECURED)
NOTES.)

Case No. 13-0893-EL-AIS

MEMORANDUM OF APPLICANT, THE DAYTON POWER AND LIGHT COMPANY

OPPOSING MOTION TO INTERVENE BY OHIO CONSUMERS' COUNSEL

The Applicant, The Dayton Power and Light Company ("DP&L"), respectfully urges the Public Utilities Commission of Ohio to deny the Motion to Intervene filed by the Ohio Consumers' Counsel ("OCC"), because as explained more fully below, the OCC has failed to demonstrated that the interests of Ohio's residential customers may be adversely affected by this proceeding.

R.C. 4903.221(B) provides, in pertinent part, as follows:

Any other person who may be adversely affected by a public utilities commission proceeding may intervene in such proceeding, provided: That the commission, in ruling upon applications to intervene in its proceedings, shall consider the following criteria:

- (1) The nature and extent of the prospective intervenor's interest;
- (2) The legal position advanced by the prospective intervenor and its probable relation to the merits of the case;
- (3) Whether the intervention by the prospective intervenor will unduly prolong or delay the proceedings;

(4) Whether the prospective intervenor will significantly contribute to full development and equitable resolution of the factual issues.

When considering the OCC's motion in light of the first three of the above criteria, it is clear that intervention should be denied. DP&L's pending application seeks to approve the refinancing of a portion of DP&L's outstanding First Mortgage Bonds. With respect to the first two criteria, the OCC fails to demonstrate that the interests of residential ratepayers are different than those of DP&L. In fact, DP&L's interest – to secure refinancing at the best possible rate, and under the best possible terms—are aligned with those of the OCC. Although the OCC's motion states that it is concerned that residential customers are not “adversely impacted” or harmed by the proposed refinancing, beyond this generality, OCC fails to provide any meaningful legal position to justify its intervention into this case. The OCC's baseless attempt to link DP&L's pending Application for an approval of its Electric Security Plan under Case No. 12-426-EL-SSO (“ESP Case”) is insufficient justification for this intervention. Indeed, the ESP Case was tried and is pending decision before the Commission, and the OCC should not be permitted to supplement its arguments in the ESP Case in this unrelated proceeding. The OCC attempts to bootstrap its intervention into this matter by again making the baseless claim that the “redemption costs” appear to exceed a “just and reasonable amount.” The “redemption costs” include all of the following: (1) the costs of calling or tendering the existing First Mortgage Bonds; (2) legal fees; (3) audit fees; (4) rating agency fees; and (5) marketing costs. These projected redemption costs are just and reasonable and reflect both (i) the cost DP&L will incur to complete this refinancing prior to maturity, and (ii) the complexity associated with accommodating a potential future separation of generation assets. In addition, a large portion these capital costs will be accounted for and spread out ratably over the term of the new

bonds thereby minimizing the risks that such costs will "adversely impact" DP&L customers, including DP&L's residential customers.

With respect to the third criterion to be considered in deciding whether intervention is warranted, authorizing intervention will prolong these proceedings, and this delay will actually *disadvantage* residential customers. The debt being refinanced matures on October 1, 2013, meaning time is short for DP&L to complete the necessary steps in order to secure the best possible terms at the lowest cost. As the maturity date draws near, DP&L's negotiation position becomes more limited. DP&L is in the best bargaining position now, and a delay in the approval of DP&L's application will only disadvantage the company, and consequently, residential customers. The OCC's motion to intervene should be denied when considering this criterion as well.

WHEREFORE, for the reasons cited herein, DP&L moves the Commission to deny OCC's Motion to Intervene for its failure to provide sufficient legal justification to merit the intervention.

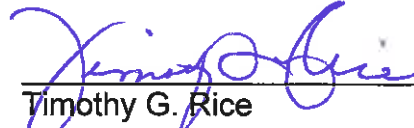
Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of this Memorandum Opposing Motion to Intervene was served on the person stated below by electronic transmission this 10th day of June, 2013



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Summary: Memorandum In the Matter of the Application of the Dayton Power and Light Company for Authority to Issue and Sell an Amount not to Exceed \$490 Million of First Mortgage Bonds, Debentures, Notes, or other Evidences of Indebtedness or Unsecured Notes. electronically filed by Ms. Jenna C. Johnson on behalf of The Dayton Power and Light Company