

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of	:	Case No. 13-2442-EL-UNC
The Dayton Power and Light Company	:	
for Authority to Amend Its Corporate	:	
Separation Plan.	:	
	:	

**APPLICATION OF THE DAYTON POWER AND LIGHT COMPANY
TO AMEND ITS CORPORATE SEPARATION PLAN**

1. Pursuant to Ohio Admin. Code § 4901:1-37-06, The Dayton Power and Light Company ("DP&L") seeks Commission approval of a Fourth Amended Corporate Separation Plan. As discussed in DP&L's proposed Fourth Amended Corporate Separation Plan, the plan will explain the formation of AES US Services, LLC, which will provide certain administrative services to DP&L.

2. Clean and redlined copies of DP&L's proposed Fourth Amended Corporate Separation Plan are attached as Exs. A and B.

WHEREFORE, DP&L asks the Commission to grant approval of DP&L's Fourth Amended Corporate Separation Plan.

Respectfully submitted,

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THE DAYTON POWER AND LIGHT COMPANY
FOURTH AMENDED CORPORATE SEPARATION PLAN

December 30, 2013

EXHIBIT A

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FOURTH AMENDED CORPORATE SEPARATION PLAN

I. INTRODUCTION

This Fourth Amended Corporate Separation Plan includes revisions to account for a new affiliate services corporation, AES US Services, LLC (“AES US Services”). This plan amends, supersedes and replaces The Dayton Power and Light Company’s (the “Company” or “DP&L”) Third Corporate Separation Plan as filed October 5, 2012.

This Fourth Amended Corporate Separation Plan demonstrates that DP&L will continue to maintain functional separation of its businesses of providing competitive retail electric services and products or services other than retail electric services from its business of providing noncompetitive retail electric services. This Fourth Amended Corporate Separation Plan also demonstrates how DP&L and its fully separated affiliates will operate in relation to each other in compliance with the provisions of Ohio Revised Code (ORC) Chapter 4928.

By filing its Application this month, DP&L seeks approval of its Application to sell or transfer DP&L’s generating assets, both wholly and partly owned, away from the electric distribution utility by May 31, 2017. Until all generation assets are fully separated from the utility, DP&L intends to continue operating under the same functional separation as explained in detail in DP&L’s Third Amended Corporate Separation plan as filed October 5, 2012, which was approved by the Commission by Finding and Order dated September 6, 2013 in Case No. 12-0426-EL-SSO, et al with the exception of the structural changes discussed below.

This Fourth Amended Corporate Separation Plan addresses (1) how DP&L will maintain separation of its competitive retail electric service and products and services other than retail

electric service from its noncompetitive retail electric service, (2) a description of the separate accounting practices that perform this separation of competitive versus noncompetitive retail electric service, (3) a description of the Company's Code of Conduct, (4) DP&L's Cost Allocation Manual and AES US Services Cost Alignment and Allocation Manual, and (5) how the Company's structure and operation is in the public interest and does not create an undue preference or competitive advantage for DP&L's affiliates.

A. Current Organization

DP&L is a regional electric public utility that distributes electricity to residential, commercial, industrial and governmental customers in West Central Ohio. DP&L provides "retail electric service" to consumers as defined in ORC Section 4928.01(A)(27). DP&L is an "electric utility" as defined in ORC Section 4928.01(A)(11) that is engaged in the business of supplying both a noncompetitive retail electric service and competitive retail electric services under ORC Section 4928.03. Electricity for customers served under DP&L's Standard Service Offer (SSO) is primarily generated by plants wholly-owned or co-owned by DP&L although beginning in 2014, and at growing percentages through 2017, a portion of the SSO load will be sourced through Competitive Bids. Specifically, 10% of the SSO load will be sourced through competitive bids commencing January 1, 2014, 40% in 2015, 70% in 2016 through May 31, 2017, and 100% of the SSO load will be sourced through Competitive Bids starting June 1, 2017.

As an integrated electric utility, DP&L operates within the statutory and regulatory framework of the state of Ohio and applicable federal law, providing services to its retail customers within its certified territory pursuant to its obligation to serve. Utility services are provided to its retail customers based on tariffed rates previously approved by the Commission.

On November 28, 2011, The AES Corporation (“AES”) closed on its acquisition of DPL Inc., the parent company of DP&L. As a result of the acquisition, DPL became a wholly-owned direct subsidiary of AES. More specifically, on December 22, 2011, after closing of the acquisition of DPL, AES interposed AES DPL Holdings, LLC as an intermediate holding company between AES and DPL. As a result, AES DPL Holdings, LLC is a wholly-owned direct subsidiary of AES, and DPL Inc. is a wholly-owned direct subsidiary of AES DPL Holdings, LLC and a wholly-owned indirect subsidiary of AES. Therefore, at all times since November 28, 2011, DPL Inc. has been a wholly-owned subsidiary of AES.

A current organization chart depicting AES DPL Holdings, LLC, DPL Inc. and its subsidiaries, including a brief description of subsidiary activities, is attached as Exhibit 1.

B. Deregulation Legislation

On May 31, 2008, the Ohio General Assembly enacted Substitute Senate Bill 221, creating a new framework under which electric utilities must provide electric service to their customers. This regulatory framework continues the functional separation between the electric utility that generally provides noncompetitive retail electric service and electric utility affiliates that may provide competitive retail electric services and products and services other than retail electric service. Under this statute, an electric utility cannot, directly or indirectly, provide such competitive retail electric services, unless the utility implements and operates under a corporate separation plan.

C. Purpose of Fourth Amended Corporate Separation Plan

Consistent with the policy goals specified in ORC Section 4928.02, the requirements of ORC Section 4928.17 and the corporate separation rules adopted by the Commission, this Fourth Amended Corporate Separation Plan of DP&L is intended to achieve the following:

- (1) Describe the framework under which DP&L and/or its affiliates will engage in the businesses of supplying competitive retail electric services and products or services other than retail electric service; the policies, rules and procedures that will govern the interrelationships among DP&L and its affiliates with respect to such business activities; and how such policies, rules and procedures will be implemented.
- (2) Effectuate the policy specified in ORC Section 4928.02, specifically to help ensure the availability of adequate, reliable, safe, efficient, nondiscriminatory and reasonably priced retail electric service; ensure the availability of unbundled and comparable retail electric service; ensure diversity of electricity supplies and suppliers; encourage innovation and market access for cost effective supply- and demand-side retail electric service; encourage cost-effective and efficient access to information to promote effective customer choice.
- (3) Satisfy the public interest in preventing unfair competitive advantages and preventing the abuse of market power.
- (4) Allow DP&L and its affiliates to compete fairly, without competitive disadvantages, with other companies engaged in the same or similar businesses, including those companies that are not subject to regulation as electric utilities.

D. Process of Implementing the Fourth Amended Corporate Separation Plan

DP&L's original Corporate Separation Plan as amended was implemented in response to S. B. 3 and was modified to ensure compliance with S. B. 221, and the merger with AES. A number of factors, events and circumstances, many of which cannot reasonably be foreseen or predicted, will influence DP&L's planning. Some of these factors are and will be beyond DP&L's ability to control or will be dependent on the actions of unrelated third parties (e.g.,

competitors, the co-owners of DP&L's jointly-owned generation and transmission facilities, etc.). Accordingly, DP&L and its affiliates will need a reasonable degree of flexibility. For this reason, the plan is structured in a way to ensure compliance with applicable statutory and regulatory law, while affording DP&L a modicum of discretion to select the precise means for achieving and maintaining such compliance in light of the relevant circumstances.

II. FOURTH AMENDED CORPORATE SEPARATION PLAN PROVISIONS

A. Policy

DP&L acknowledges the policy goals of the state of Ohio as described in ORC Section 4928.02. Accordingly, consistent with the corporate separation rules, DP&L will not extend any undue preference or advantage to any of its affiliates that engage in the business of providing a competitive retail electric service or a non-electric retail product or service without just compensation as provided herein. Further, DP&L will act so as to effectuate the policy specified in ORC Section 4928.02 and to satisfy the public interest in preventing unfair competitive advantage and abuse of market power.

As required by ORC Section 4928.17 and the corporate separation rules, DP&L will not engage, either directly or through an affiliate, in the business of supplying a noncompetitive retail electric service and either a competitive retail electric service or a product or service other than retail electric service, except as otherwise authorized by law and except pursuant to the provisions of this Fourth Amended Corporate Separation Plan as approved by the Commission.

B. Fully Separated Affiliates

Each such affiliate or business unit offering competitive retail electric services will generally operate separately from DP&L, except as specifically permitted by state statute under

this Commission-approved Fourth Amended Corporate Separation Plan, and such affiliates or business units will operate independently of each other, all as provided herein.

To the extent deemed economically feasible and prudent, DP&L and its affiliates that provide a competitive retail electric service will endeavor to satisfy their own respective needs through their own respective employees, facilities, equipment and other assets and resources. Employees will be employed by one corporate entity (*i.e.*, DP&L, AES US Services, or an affiliate) and no employee will be employed by more than one entity, although an employee may in certain instances provide services for both his or her employer and an affiliate. As required by ORC Section 4928.18(D)(2) and OAC Section 4901:1-37-04(A)(5), any common use or sharing of employee services, consultant services, independent contractor services, facilities, equipment, employee benefit plans and/or other services permitted by ORC Section 4928.18(D)(2) shall not in any way violate the Code of Conduct adopted herein and shall be appropriately accounted for and the costs thereof allocated pursuant to the terms of this plan and as more specifically described in DP&L's Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual provided for under Section II.F and II.G, respectively. DP&L will maintain a copy of any shared employee's job description in DP&L's Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual.

While the DP&L affiliated group may have certain officers and directors in common, such officers and directors owe a fiduciary duty under general corporate law principles to each of the entities he or she is serving as well as an obligation to such entity to abide by the terms and conditions of this Fourth Amended Corporate Separation Plan, including without limitation, the Code of Conduct.

C. Accounting Records

As required by ORC Section 4928.17(A)(1) and corporate separation rule OAC Section 4901:1-37-04(B), DP&L and each affiliate or business unit in the DP&L group will maintain, in accordance with generally accepted accounting principles, an applicable uniform system of accounts, books, records and accounts that are separate from the books, records and accounts of each other affiliate or business unit.

D. Financial Arrangements

To the extent required by ORC Section 4928.17(A)(3) and the applicable corporate separation rules, subject to the provisions of Subsection II.A.3. regarding currently existing financing arrangements, and except as may otherwise be approved by the Commission, the financial arrangements of DP&L with respect to its affiliates engaged in the business of providing a competitive retail electric service or a product or service other than retail electric service will be subject to the following restrictions:

- (1) Any indebtedness incurred by an affiliate shall be without recourse to DP&L.
- (2) DP&L will not enter into any agreement with terms under which it is obligated to commit funds to maintain the financial viability of its affiliate.
- (3) DP&L will not make any investment in an affiliate under any circumstances in which it would be liable for the debts or liabilities of such affiliate incurred as a result of actions or omissions of such affiliate.
- (4) DP&L will not issue any security for the purpose of financing the acquisition, ownership or operation of any of its affiliates.
- (5) DP&L will not assume any obligation or liability as a guarantor, endorser, surety, or otherwise with respect to any security of any of its affiliates.
- (6) DP&L will not pledge, mortgage or use as collateral any of its assets for the benefit of any of its affiliates.

E. Code of Conduct

Pursuant to ORC Section 4928.17(A)(1), which requires the corporate separation plan to include the Code of Conduct ordered by the Commission pursuant to a rule adopted under ORC Section 4928.06, and consistent with corporate separation rules OAC Section 4901:1-37-04(D)(1) through (D)(11), DP&L adopts the following Code of Conduct to govern the relationship of DP&L with its affiliates or business units engaged in the business of providing a competitive retail electric service or a product or service other than retail electric service:

- (1) DP&L shall not release any proprietary customer information (*e.g.*, individual customer load profiles or billing histories) to an affiliate, or otherwise, without the prior authorization of the customer, except as required by a regulatory agency or court of law.
- (2) DP&L shall make customer lists, which include names, addresses and telephone numbers, available on a non-discriminatory basis to all non-affiliated and affiliated certified retail electric competitors transacting business in its service territory, unless otherwise directed by the customer. This paragraph does not apply to customer-specific information, obtained with proper authorization, necessary to fulfill the terms of a contract, or information relating to the provision of general and administrative support services.
- (3) Employees of DP&L's affiliates shall not have access to any information about DP&L's transmission or distribution systems (*e.g.*, system operations, capability, price, curtailments and ancillary services), that is not contemporaneously and in the same form and manner available to a non-affiliated competitor of retail electric service.
- (4) DP&L shall treat as confidential all information obtained from a competitive retail electric service provider, both affiliated and non-affiliated, and shall not release such information unless a competitive retail electric service provider provides authorization to do so or unless the information was or thereafter becomes available to the public other than as a result of disclosure by DP&L.
- (5) Except as specifically authorized by state statute and as set forth in its Commission-approved Fourth Amended Corporate Separation Plan, DP&L shall not tie (nor allow its affiliates to tie) or otherwise condition the provision of its services,

discounts, rebates, fee waivers or any other waivers of its ordinary terms and conditions of service, including but not limited to DP&L's tariff provisions, to the taking of any goods or services from affiliates.

- (6) In order to ensure effective competition in the provision of retail electric service, DP&L shall avoid anticompetitive subsidies flowing from a noncompetitive retail electric service to a competitive retail electric service or to a product or service other than retail electric service, and vice versa.
- (7) Upon a request from a customer, DP&L shall provide a complete list of all certified suppliers, registered pursuant to DP&L's tariff requirements, of competitive retail electric services operating on DP&L's system, but shall not endorse any suppliers nor indicate that any supplier will receive preference because of an affiliate relationship.
- (8) DP&L shall strive to ensure that its activities do not create unreasonable sales practices, market deficiencies or market power.
- (9) Employees of DP&L shall not indicate a preference for an affiliated company's services.
- (10) DP&L shall provide comparable access to products and services related to tariffed products and services.
 - (a) DP&L shall not unduly discriminate in the offering of its products and/or services.
 - (b) DP&L shall apply all tariff provisions in the same manner to the same or similarly situated entities, regardless of any affiliation or non-affiliation.
 - (c) DP&L shall not, through a tariff provision, a contract, or otherwise, give its affiliates preference over non-affiliated competitors providing a competitive retail electric service or their customers in matters relating to any product and/or service.
 - (d) DP&L shall follow all tariff provisions.
 - (e) Except to the extent legally permitted, DP&L shall not be permitted to provide discounts, rebates, or fee waivers for any state regulated monopoly service.
 - (f) Violations of this code of conduct shall be enforced and subject to the disciplinary actions described in ORC Sections 4928.18(C) and (D).

- (11) Shared representatives and employees of DP&L shall clearly disclose upon whose behalf public representations are being made.
- (12) Notwithstanding any provision contained in this Code of Conduct, in an emergency situation, DP&L may take actions necessary to ensure public safety and system reliability. DP&L will maintain a log of all such actions that do not comply with this Code of Conduct.

As part of meeting the requirements of paragraph (8) above, DP&L does not intend to engage in joint advertising or joint marketing of any kind with its affiliates supplying a competitive retail electric service or directly promote or market any product or service offered by any such affiliate, except as authorized by state statute and pursuant to its Commission-approved Fourth Amended Corporate Separation Plan. DP&L's competitive retail electric services affiliate and other non-EDU affiliates will not trade upon, promote, or advertise their affiliate relationship with DP&L, nor will DP&L allow the name "The Dayton Power and Light Company" or the logo shown on Exhibit 2 to be used in Ohio by an affiliate in any material circulated by the affiliate, unless it discloses in plain legible or audible language, on the first page or at the first point where DP&L's name or logo is mentioned, that: (i) the affiliate is not the same company as DP&L; (ii) the affiliate is not regulated by the Commission; and (iii) the customer does not have to buy the affiliate's products in order to continue to receive quality, regulated service from DP&L.

F. DP&L's Cost Allocation Manual

In order to help ensure that anticompetitive cross-subsidization does not occur between DP&L and its affiliates and business units providing any competitive retail electric service or any product or service other than retail electric service, DP&L or its business unit will maintain a

Cost Allocation Manual as required by OAC Section 4901:1-37-08. With respect to any asset, product or service provided or transferred by an affiliate or business unit to DP&L, or by DP&L to an affiliate or business unit, the affiliate or business unit providing or receiving the same shall submit to DP&L for inclusion in DP&L's Cost Allocation Manual, and DP&L shall maintain in DP&L's Cost Allocation Manual, information documenting the allocation of costs between the affiliate or business unit and DP&L. DP&L's Cost Allocation Manual will include the methods to be used for allocating costs and transferring assets between DP&L and its affiliates and business units, which costs will be based on "fully allocated costs" as required by corporate separation rule OAC Section 4901:1-37-04(B) and will be traceable to the books of the applicable corporate entity providing such product or service or making such transfer.

In addition to this information, DP&L's Cost Allocation Manual will include the following:

- (a) An organization chart of DPL Inc. depicting all active affiliates, as well as a description of activities in which such affiliates are involved.
- (b) A description of all assets, services and products provided to and from DP&L and its affiliates.
- (c) A copy of the job description of each shared employee.
- (d) Information on employees who have either transferred from DP&L to one of its affiliates or are shared between DP&L and such affiliate, including a copy of all transferred employees' previous and new job descriptions and a list of names and job summaries for shared consultants and shared independent contractors.
- (e) A log of all complaints made to DP&L regarding corporate separation.
- (f) Minutes of each DP&L board of directors meeting.

DP&L and its affiliates and business units will maintain all affiliate transaction information and the DP&L board of directors minutes in DP&L's Cost Allocation Manual for not less than three years. As required by the corporate separation rules, DP&L's Cost Allocation Manual will be made available to the Commission's Staff for review. Upon approval of this Fourth Amended Corporate Separation Plan, DP&L will send to the Director of the Utilities Department of the Commission (or his/her designee) a summary every twelve months of any significant changes made in DP&L's Cost Allocation Manual during such twelve-month period. Pursuant to corporate separation rule OAC Section 4901:1-37-08(I), DP&L designates the General Counsel of DP&L or his/her designee to act as a contact person for the Commission's Staff when seeking data regarding affiliate and business unit transactions, personnel transfers and sharing of employees. DP&L may change this designation at any time, and will promptly notify the Commission of any change.

G. AES US Services Cost Alignment and Allocation Manual

AES US Services, LLC ("AES US Services") is a subsidiary of the The AES Corporation ("AES"). AES US Services provides a range of services to specific affiliates of AES, including Indianapolis Power & Light Company ("IPL"), IPALCO Enterprises, Inc. ("IPALCO"), IPL Funding Corporation ("IPL Funding"), Mid-America Capital Resources, Inc. ("MACR"), AES NA Central, LLC ("NA-Central"), DPL Inc. ("DPL Inc."), The Dayton Power & Light Company ("DP&L"), DPL Energy Resources, Inc. ("DPLER"), MC Squared Energy Services, LLC ("MC2"), DPL Energy, LLC ("DPLE"), Miami Valley Lighting, LLC ("MVLT"), Miami Valley Insurance Company, Inc. ("MVIC"), and MacGregor Park, Inc. ("MacGregor Park"), otherwise known as the "Affiliates". AES US Services will allocate prudently-incurred costs to the

Affiliates to achieve the following goals: prevent cross-subsidization of one entity by another, maximize synergies and economies of scale in AES US Services operations, and minimize the time and expense needed to record and audit the transactions. All costs incurred by AES US Services are recovered at cost, and there is no “mark-up” or “profit” on the charges of AES US Services.

The Controller of AES US Services (or his or her designee) will be responsible for updating and maintaining the AES US Services Cost Alignment and Allocation Manual. Allocation methods and bases shall be reviewed, and if necessary updated, at least annually, in order to ensure that allocations are representative of the overall scope and level of business activities between AES US Services and the Affiliates. Accordingly, revisions will be made to the AES US Services Cost Alignment and Allocation Manual as needed. All changes will be coordinated with the Affiliates and communicated as needed to the employees of AES US Services. Additionally, the Controller of AES US Services (or his or her designee) will notify the Director of the Utilities Department of the PUCO of any material changes to the AES US Services Cost Alignment and Allocation Manual.

AES US Services shall maintain (in accordance with generally accepted accounting principles, the applicable uniform system of accounts, and the Code of Federal Regulations) books, entries, accounts, and other records of all of its transactions in sufficient detail so as to permit audits. Allocated costs shall be traceable to the books of the applicable Affiliates. AES US Services and Affiliates shall maintain all underlying transaction information for a minimum of five years. Such books, accounts, and pertinent records that relate to intercompany

transactions shall be readily available for review and audit by the applicable Commissions consistent with applicable state laws, as well as to internal and external auditors of AES US Services or the Affiliate Companies as required by law. The Controller of AES US Services (or his or her designee) will maintain these supporting documents at AES US Services' headquarters located in Indianapolis, Indiana.

H. Complaint Procedures

All complaints received by DP&L with respect to compliance with the corporate separation rules will be referred to the General Counsel of DP&L or his or her designee. If and to the extent that the complaint provides basic information sufficient to enable the General Counsel or his or her designee to do so, the General Counsel or his or her designee will acknowledge the complaint within five business days of its receipt and will thereafter prepare a written statement of the complaint, containing the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved and the specific claim. The General Counsel or his or her designee will communicate the results of any preliminary investigation made by legal counsel or his or her designee to the complainant in writing in not less than 30 days after the complaint has been received, including a description of any course of action taken. The General Counsel or his or her designee will also keep a file to be placed in DP&L's Cost Allocation Manual of any complaint statements for a period of not less than three years. This complaint procedure will not in any way limit the rights of a party to file a complaint with the Commission.

I. Access to Books and Records

DP&L will comply with legally enacted corporate separation rules relating to Commission and Staff access to, and review of, books and records of DP&L and its affiliates.

J. Effective Date

In order to continue to operate in an efficient and effective manner, the above plan provisions with respect to the AES US Services will take effect January 1, 2014.

III. IMPLEMENTATION OF AMENDED CORPORATE SEPARATION PLAN

A. Corporate Reorganization

1. Transfer of Businesses and Assets to Separate Corporate Entities

Prior to January 1, 2001, DP&L had transferred some of its generating assets and its retail competitive generation service business to one or more fully separated affiliates or business units and functionally separated its retail generation business from its non-competitive retail electric service under DP&L. Both the fully separated competitive retail electric service affiliate and DP&L are wholly-owned by DPL Inc. DP&L plans to transfer to an affiliate or sell to a third party all of its generating assets by May 31, 2017.

Organization charts showing how DPL Inc. and its affiliates are organized are attached as Exhibit 1.

2. Functional Separation

DP&L's various operations have been functionally separated since 2001. Functional separation is used where legal separation is not feasible or is unnecessary. The obstacles to legal separation are described below.

3. Indenture and Financing Issues

Substantially all of the assets of DP&L, including its electric generating assets and transmission and distribution assets, are subject to, and encumbered by, the first mortgage lien of the indenture pursuant to which DP&L's outstanding first mortgage bonds were issued. The controlling indenture was drafted in the 1930's and did not contemplate or include provisions readily enabling DP&L to redeploy its assets as required by, or desirable in connection with, the deregulation of the electric utility industry. As a result, a large number of complex indenture- and financing issues have to be resolved for DP&L to permit the legal transfer of the electric generating assets.

B. Sharing of Employees, Facilities and Services

Shared employees, facilities and services are accounted for according to the time or use they provide to each entity.

The transmission service of DP&L is administered entirely through the PJM Interconnection.

As described in Subsection III.A.1., DPL Inc. currently has a number of wholly-owned subsidiaries that provide services or facilities to DP&L and its affiliates. It is anticipated that these subsidiaries will continue to provide services to DP&L and other affiliated companies. As described in Subsection II.G., it is economically feasible and prudent to provide certain services on a company-wide or shared basis, such as legal, accounting, auditing, finance, insurance, real estate or human resource services. Also, employees of DP&L and its affiliates currently participate in employee benefit plans that are common to one or more of such entities. For economic purposes as well as for Internal Revenue Code and ERISA compliance reasons, DPL

Inc. and its subsidiaries may determine that their current employee benefit plans should continue to cover employees of DP&L and one or more of its affiliates rather than causing each entity to establish and maintain separate plans. In such event, the costs of employee benefit plans are allocated to each affiliate in proportion to the number of employees covered by each such plan or, if not allocable on such basis, in accordance with the other rules for allocating these costs among affiliates as described in the AES US Services Cost Alignment and Allocation Manual.

Any of the above-described services (or other services) which are provided by DP&L to an affiliate or by an affiliate to DP&L will be properly described in DP&L's Cost Allocation Manual or the AES US Services Cost Alignment and Allocation Manual, and the cost of such services shall be allocated pursuant to the methods of allocation described in DP&L's Cost Allocation Manual or the AES US Services Cost Alignment and Allocation Manual.

C. Employee Education and Training

To maintain employee awareness of the requirements in this Fourth Amended Corporate Separation Plan, including, without limitation, the Code of Conduct provisions and DP&L's Cost Allocation and the AES US Services Cost Alignment and Allocation Manual requirements, DP&L will train its employees on the subject. This training is either provided live or via a web-based program. The program will describe the Fourth Amended Corporate Separation Plan (and how the plan affects each employee in light of his or her job description and the specific company for which the employee works or will be working), the provisions of the Code of Conduct to be followed by the employees, the appropriate documentation to be forwarded to DP&L to be included in DP&L's Cost Allocation Manual or the AES US Services Cost

Alignment and Allocation Manual and when such documentation should be forwarded, the complaint procedure and the methods for bringing complaints and violations to the attention of the appropriate party. The compliance procedure (described below) and penalties and consequences with respect to the failure of an employee or an affiliate to comply with the Fourth Amended Corporate Separation Plan or the Code of Conduct will also be explained at these sessions. The employees will also be advised of the penalties to which DP&L will be subject in the event of a failure to comply. Once the Fourth Amended Corporate Separation plan is approved, DP&L will implement the Employee Education Plan as set forth in Exhibit 4.

D. Compliance Procedure

To ensure that its Fourth Amended Corporate Separation Plan is implemented properly by DP&L and its affiliates, DP&L will implement the following compliance monitoring procedures and plans for corrective action:

- (1) After training, each employee of DP&L or its affiliates will be required to acknowledge participation in the training.
- (2) Employees may report to the General Counsel possible violations of the Code of Conduct and other failures to comply with the Fourth Amended Corporate Separation Plan.
- (3) Possible violations and other failures will be reported to the General Counsel, who will investigate such matters, prepare a report and, if appropriate, a course of recommended action and report to management. DP&L and the relevant affiliate will take reasonable steps necessary to remedy such violation.
- (4) Failure to observe the limitations described in the Code of Conduct with regard to the use of non-public DP&L information will result in appropriate disciplinary action.

IV. DESCRIPTION OF COMPLIANCE WITH COMMISSION RULES FOR CORPORATE SEPARATION PLANS.

In accordance with Corporate Separation Rule OAC §4901:1-37-05(B)(12), DP&L lists below each corporate separation rule and a description of how DP&L will comply with that rule:

Corporate Separation Rule OAC §4901:1-37-04(A)(2) – Each electric utility and its affiliate that provide services to customers within the electric utility’s service territory shall not share facilities and services if such sharing in any way violates paragraph (D) of this rule.

As described in Section II.B., any sharing of facilities or services by DP&L with any of its affiliates will be subject to the Code of Conduct restrictions and DP&L’s Cost Allocation Manual or the AES US Services Cost Alignment and Allocation Manual requirements.

Corporate Separation Rule OAC §4901:1-37-04(B) - Each electric utility and its affiliates shall maintain, in accordance with generally accepted accounting principles, an applicable uniform system of accounts, books, records and accounts that are separate from the books, records and accounts of its affiliates.

As described in Section II.C., DP&L and each of its affiliates will maintain separate books, records and accounts in accordance with the provisions of this rule.

Corporate Separation Rule OAC §4901:1-37-04(C)(1) – Unless otherwise approved by the Commission, the financial arrangements of an electric utility are subject to the following restrictions: Any indebtedness incurred by an affiliate shall be without recourse to the electric utility.

As described in Subsection II.D.1., any indebtedness incurred by an affiliate of DP&L will be without recourse to DP&L.

Corporate Separation Rule OAC §4901:1-37-04(C)(2) – Unless otherwise approved by the Commission, the financial arrangements of an electric utility are subject to the following restrictions: an electric utility shall not enter into any agreement with terms under which the electric utility is obligated to commit funds to maintain the financial viability of an affiliate.

As described in Subsection II.D.2., DP&L will not enter into any agreement with terms under which it is obligated to commit funds to maintain the financial viability of an affiliate.

Corporate Separation Rule OAC §4901:1-37-04(C)(3) - An electric utility shall not make any investment in an affiliate under any circumstances in which the electric utility would be liable for the debts and/or liabilities of the affiliate incurred as a result of actions or omissions of an affiliate.

As described in Subsection II.D.3., DP&L will not make any investment in an affiliate under any circumstances in which DP&L would be liable for the debts and/or liabilities of such affiliate incurred as a result of actions or omissions of such affiliate.

Corporate Separation Rule OAC §4901:1-37-04(C)(4) - An electric utility shall not issue any security for the purpose of financing the acquisition, ownership or operation of an affiliate.

As described in Subsection II.D.4., DP&L will not issue any security for the purpose of financing the acquisition, ownership or operation of any of its affiliates.

Corporate Separation Rule OAC §4901:1-37-04(C)(5) - An electric utility shall not assume any obligation or liability as a guarantor, endorser, surety, or otherwise with respect to any security of an affiliate.

As described in Subsection II.D.5., DP&L will not assume any obligation or liability as a guarantor, endorser, surety or otherwise with respect to any security of any of its affiliates.

Corporate Separation Rule OAC §4901:1-37-04(C)(6) - An electric utility shall not pledge, mortgage, or use as collateral, any assets of the electric utility for the benefit of an affiliate.

As described in Subsection II.D.6., DP&L will not pledge, mortgage or use as collateral, any assets of DP&L for the benefit of any of its affiliates.

Corporate Separation Rule OAC §4901:1-37-04(D)(1) - The electric utility shall not release any proprietary customer information (*e.g.*, individual customer load profiles or billing histories) to an affiliate, or otherwise, without the prior authorization of the customer, except as required by a regulatory agency or court of law.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also See Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(2) - On or after the effective date of this chapter, the electric utility shall make customer lists, which include name, address and telephone number, available on a nondiscriminatory basis to all nonaffiliated and affiliated certified retail electric service providers transacting business in its service territory, unless otherwise directed by the customer. This provision does not apply to customer-specific information, obtained with proper authorization, necessary to fulfill the terms of a contract, or information relating to the provision of general and administrative support services.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(3) - Employees of the electric utility's affiliates shall not have access to any information about the electric utility's transmission or distribution systems (*e.g.*, system operations, capability, price, curtailments and ancillary

services), that is not contemporaneously and in the same form and manner available to a nonaffiliated competitor of retail electric service.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(4) – An electric utility shall treat as confidential all information obtained from a competitive retail electric service provider, both affiliated and non-affiliated, and shall not release such information unless a competitive retail electric service provider provides authorization to do so or unless the information was thereafter becomes available to the public other than as a result of disclosure by the utility.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(5) - The electric utility shall not tie (nor allow an affiliate to tie) or otherwise condition the provision of the electric utility's regulated services, discounts, rebates, fee waivers, or any other waivers of the electric utility's ordinary terms and conditions of service, including but not limited to tariff provisions, to the taking of any goods and/or services from the electric utility's affiliates.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(6) – The electric utility shall ensure effective competition in the provision of retail electric service by avoiding anticompetitive subsidies flowing from a noncompetitive retail electric service to a competitive retail electric service or to a product or service other than retail electric service, and vice versa.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(7) - The electric utility, upon request from a customer, shall provide a complete list of all competitive retail electric service providers operating on the system, but shall not endorse any competitive retail electric service providers or indicate that any competitive retail electric service providers will receive preference because of an affiliate relationship.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(8) – The electric utility shall ensure retail electric service consumers protection against unreasonable sales practices, market deficiencies, and market power.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(9) – Employees of the electric utility shall not indicate a preference for an affiliated electric services company.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10) - The electric utility shall provide comparable access to products and services related to tariffed products and services and specifically comply with the following:

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(a) - An electric utility shall be prohibited from unduly discriminating in the offering of its products and/or services.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(b) - The electric utility shall apply all tariff provisions in the same manner to the same or similarly situated entities, regardless of any affiliation or non-affiliation.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(c) - The electric utility shall not, through a tariff provision, a contract, or otherwise, give its affiliates preference over nonaffiliated competitors of retail electric service or their customers in matters relating to any product and/or service.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(d) - The electric utility shall strictly follow all tariff provisions.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(e) - Except to the extent allowed by state law, the electric utility shall not be permitted to provide discounts, rebates, or fee waivers for any state regulated monopoly service.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(11) – Shared representatives or shared employees of the electric utility and affiliated electric services company shall clearly disclose upon whose behalf their public representations are being made.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(E)(1) and (2) – Notwithstanding the foregoing, in a declared emergency situation, an electric utility may take actions necessary to ensure public safety and system reliability. The electric utility shall maintain a log of all such actions that do not comply with this chapter and such log shall be subject to review by the Commission and its staff.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-05(B)(8) - A description and timeline of all planned education and training, throughout the holding company structure, to ensure that electric utility and affiliate employees know and can implement the policies and procedures of this rule.

As described in Section III.C., DP&L has instituted an education and training program to familiarize the employees of DP&L and its affiliates with the requirements of the Amended Corporate Separation Plan. Information will be maintained on the Company website. See Exhibit 4.

Corporate Separation Rule OAC §4901:1-37-05(B)(9) - A copy of a policy statement to be signed by electric utility and affiliate employees who have access to any nonpublic electric utility information, which indicates that they are aware of, have read, and will follow all policies and procedures regarding limitation on the use of nonpublic electric utility information. The statement will include a provision stating that failure to observe these limitations will result in appropriate disciplinary action.

See Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-05(B)(10) - A description of the internal compliance monitoring procedures and the methods for corrective action for compliance.

See Section III.D.

Corporate Separation Rule OAC §4901:1-37-05(B)(14)(a)-(f) - The electric utility shall establish a complaint procedure for the issues concerning compliance with this chapter, which at minimum shall include the following: All complaints, whether written or oral, shall be referred to the General Counsel of the utility or his or her designee. The General Counsel shall orally acknowledge the complaint within five working days of its receipt. The General Counsel shall prepare a written statement of the complaint that shall contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and the specific claim. The General Counsel shall communicate the results of the preliminary investigation to the complainant in writing within thirty days after the complaint was received, including a description of any course of action that was taken. The General Counsel shall keep a file in the CAM of all such complaint statements for a period of not less than three years. This complaint procedure shall not in any way limit the rights of a party to file a complaint with the Commission.

As described in Section II.H. above, DP&L will establish a complaint procedure concerning compliance with the corporate separation rules. Such procedure will follow those described by this rule.

Corporate Separation Rule OAC §4901:1-37-07(A) – The electric utility shall maintain records sufficient to demonstrate compliance with this chapter, and shall produce, upon request of Staff, all books, accounts, and/or other pertinent records kept by an electric utility or its affiliates as

they may relate to the businesses for which corporate separation is required under OAC Section 4928.17, including those required under ORC Section 4928.145.

As described in Section II.I. above, DP&L will comply with the corporate separation rules relating to the examination of books and pertinent records.

Corporate Separation Rule OAC §4901:1-37-07(B) - The Staff may investigate such electric utility and/or affiliate operations and the interrelationship of those operations at the Staff's discretion. In addition, the employees and officers of the electric utility and its affiliates shall be made available for informational interviews, at a mutually agreed time and place, as required by the staff to ensure proper separations are being followed.

As described in Section II.I. above, DP&L will comply with the corporate separation rules relating to investigating DP&L and will make available its employees and officers for informational interviews.

Corporate Separation Rule OAC §4901:1-37-07(C) - If such employees, officers, books and records cannot be reasonably made available to the Staff in the State of Ohio, then upon request of the Staff, the appropriate electric utility or affiliate shall reimburse the Commission for reasonable travel expenses incurred.

See Section II.I. above.

Corporate Separation Rule OAC 4901:1-37-08(A) - Each electric utility that receives products and/or services from an affiliate and/or that provides products and/or services to an affiliate shall maintain information in the CAM, documenting how costs are allocated between the electric utility and affiliates and the regulated and nonregulated operations.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(B) - The CAM will be maintained by the electric utility.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(C) - The CAM is intended to ensure the Commission that no cross-subsidization is occurring between the electric utility and its affiliates.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D) - The CAM will include:

Corporate Separation Rule OAC 4901:1-37-08(D)(1) - An organization chart of the holding company, depicting all affiliates, as well as a description of activities in which the affiliates are involved.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(2) - A description of all assets, services and products provided to and from the electric utility and its affiliates.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(3) - All documentation including written agreements, accounting bulletins, procedures, work order manuals, or related documents, which govern how costs are allocated between affiliates.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(4), (5) and (6) – A copy of the job description of each shared employee. A list of names and job summaries for shared consultants and shared independent contractors. A copy of all transferred employees (from the electric utility to an affiliate or vice versa) previous and new job descriptions.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(7) - A log of all complaints brought to the utility regarding this rule.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(8) – A copy of the minutes of each board of directors meeting, where it shall be maintained for a minimum of three years.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(E) - The method for charging costs and transferring assets shall be based on fully allocated costs.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(F) - The costs should be traceable to the books of the applicable corporate entity.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(G) - The electric utility and affiliates shall maintain all underlying affiliate transaction information for a minimum of three years.

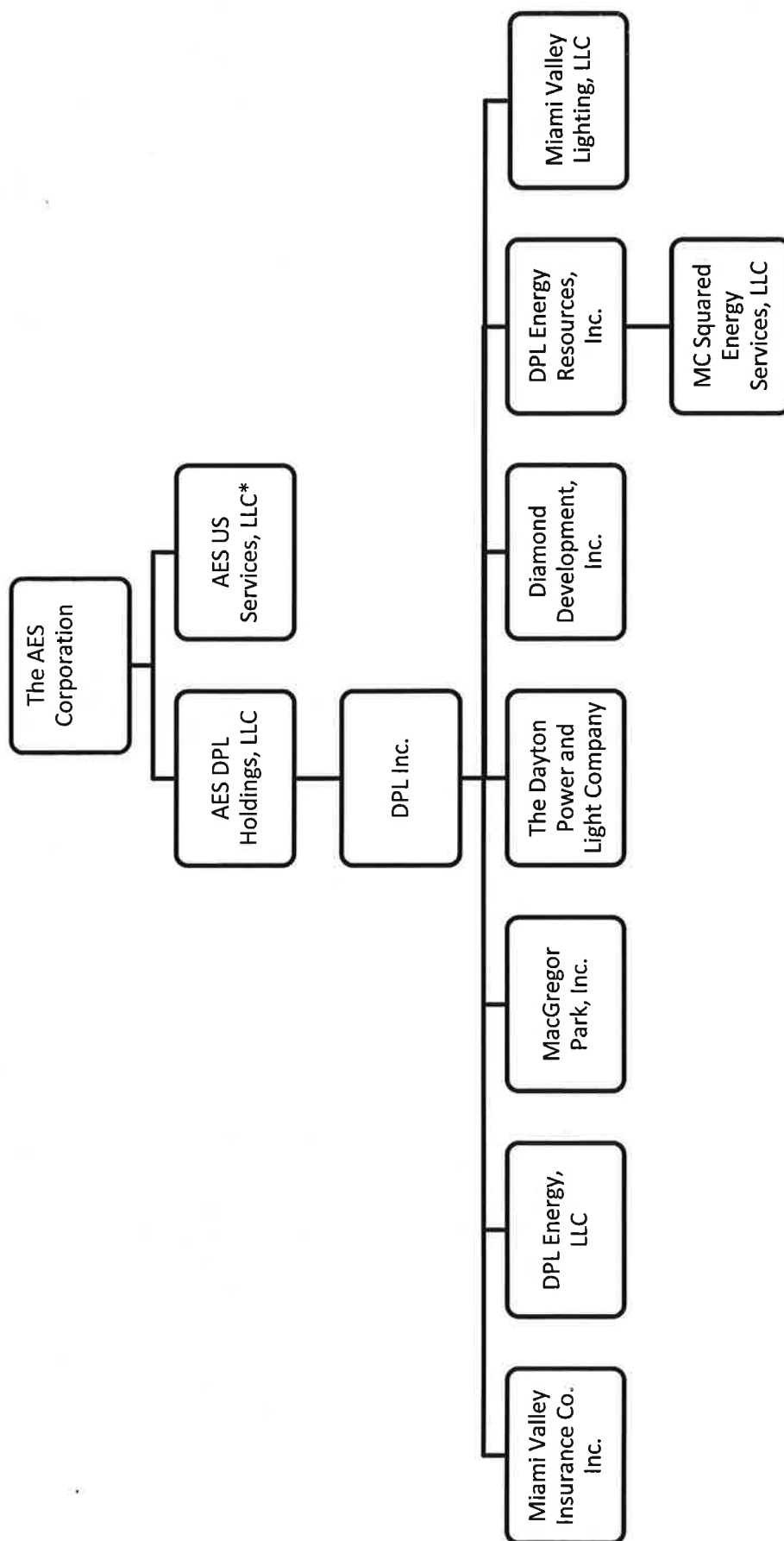
See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(H) - Following approval of a corporate separation plan, an electric utility shall provide the director of the utilities department (or their designee) with a summary of any changes in the CAM at least every twelve months.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(I) - The compliance officer designated by the electric utility will act as a contact for the staff when staff seeks data regarding affiliate transactions, personnel transfers, and the sharing of employees.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.



*Effective January 1, 2014, AES US Services, LLC will be providing support services (e.g. accounting, human resources, legal, environmental, etc.) for DPL Inc., The Dayton Power and Light Company, and affiliated companies.

DE&I

POLICY STATEMENT

The undersigned has been made aware of, has read and will follow each of the policies and procedures regarding limitations and restrictions on the use of non-public information of The Dayton Power and Light Company ("DP&L") and its affiliates as contained in the Code of Conduct adopted by DP&L and each of its affiliates as part of DP&L's Fourth Amended Corporate Separation Plan filed with the Public Utilities Commission of Ohio. The undersigned acknowledges that failure by the undersigned to observe these limitations and restrictions will result in appropriate disciplinary action taken against the undersigned.

The undersigned has also been informed that the DP&L Cost Allocation Manual (CAM) and the AES US Services Cost Alignment and Allocation Manual (CAAM) requires employees, as part of the Fourth Amended Corporate Separation Plan, to account for their time so that the appropriate costs and expenses can be reported and correctly accounted for. The undersigned has been given the opportunity to ask questions regarding the Code of Conduct, the CAM, and the CAAM and understands the compliance program included therein, including the appropriate method in which complaints are to be handled and the appropriate persons to whom possible violations should be reported. The undersigned has attended one or more training sessions offered by DP&L with regard to the implementation and operation of the Fourth Amended Corporate Separation Plan.

Signature

Printed NameDate:

Employee Education Plan

The Dayton Power and Light Company ("DP&L" or the "Company") will implement a program to accomplish the training of employees within six months of approval of the Fourth Amended Corporate Separation Plan. Plan training will reintroduce the plan to employees. In particular, employees will be made aware that the Commission has rules that apply to DP&L and its (1) accounting for costs, (2) employees' use of customer and supplier information, and (3) prohibitions on recommending any particular electric supplier.

Upon approval of the Fourth Amended Corporate Separation Plan, current training materials, whether for a web based, live or written presentation, will be updated within six weeks. The legal department will contact We Comply, the Company's internet-based training facilitator and review each page and quiz question, making changes as necessary to ensure that the material accurately presents the Company's policies and obligations. At the same time, materials used for live and written training sessions will be similarly updated.

Two weeks after training materials have been updated and internally approved, each management employee with computer access will receive notice that he or she has four weeks to complete the training. Each week for the next three weeks, any of these employees who have not completed the program, will be sent weekly reminders. Those who have still not completed training at the end of four weeks will be individually contacted so that the program is completed. DP&L's web-based training programs create electronic verifications of the training and the time it was completed by each employee.

Following roll-out of web-based training, live and written training will be scheduled for those employees unable to complete training via the internet and union-eligible employees. This process will be completed as quickly as possible, but eight weeks will be scheduled to allow the time necessary to reach employees in outlying locations and to accommodate work schedules.

New employees will receive training on the Company's Fourth Amended Corporate Separation Plan as part of their new employee orientation plan. These employees usually receive the web-based program, but occasionally may be trained via a live presentation. The Human Resources Department assigns training to new employees.

Training verification as recorded electronically will be stored on the WeComply server. Verification that other employees have been trained will be kept by DP&L's Legal Department.

Finally, DP&L's Legal and Regulatory staffs will be available on an ongoing basis to answer corporate separation questions and interpret the plan as might be requested.

Corporate Separation Training Timeline

Date from approval of plan	Task
6 weeks	Update all training materials.
8 weeks	Notice to begin web-based training, with weekly reminders in weeks 9, 10 and 11.
9 weeks	Live presentations, to the extent necessary, will be arranged and scheduled for completion within the next eight weeks. Revised written materials will be distributed to employees who do not have computer access and will not be available for a live presentation and training completed within eight weeks.
18 weeks	All employees will have received the new training.
Ongoing	New employees trained as part of new employee orientation. Legal and Regulatory Staffs available to answer questions.

Appendix A

**THE DAYTON POWER AND LIGHT COMPANY ~~THIRD~~
FOURTH AMENDED CORPORATE SEPARATION PLAN**

December 30, 2013

EXHIBIT B

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FOURTH AMENDED CORPORATE SEPARATION PLAN

I. INTRODUCTION

This ~~Third~~Fourth Amended Corporate Separation Plan ~~is being filed by The Dayton Power and Light Company (the "Company" or "DP&L") pursuant to~~includes revisions to OAC 4901:1-35-03(C)(10)(F) account for a new affiliate services corporation, AES US Services, LLC ("AES US Services"). This plan amends, supersedes and replaces ~~the~~The Dayton Power and Light Company's Second (the "Company" or "DP&L") Third Corporate Separation Plan as filed October 1, 20085, 2012.

This ~~Third~~Fourth Amended Corporate Separation Plan demonstrates that DP&L will continue to maintain functional separation of its businesses of providing competitive retail electric services and products or services other than retail electric services from its business of providing noncompetitive retail electric services, ~~except when specifically permitted to do otherwise. This~~Third. This Fourth Amended Corporate Separation Plan also demonstrates how DP&L and its fully separated affiliates will operate in relation to each other in compliance with the provisions of Ohio Revised Code (ORC) Chapter 4928.

4928.

~~DP&L's has not yet applied to the Commission for authority pursuant to R.C.~~4928.17(E) By filing its Application this month, DP&L seeks approval of its Application to sell or transfer DP&L's generating assets, both wholly and partly owned, away from the electric distribution utility ~~and to an unregulated affiliate Until DP&L applies for and is granted authority to transfer its generating assets to an unregulated affiliate by May 31, 2017. Until all generation~~

assets are fully separated from the utility, DP&L intends to continue operating under the same functional separation as explained in detail in DP&L's ~~Second~~Third Amended Corporate Separation plan as filed October 10, ~~2008~~5, 2012, which was approved by the Commission by ~~Opinion Finding~~ and Order dated ~~June 24, 2009~~September 6, 2013 in Case No. ~~08-109412-0426-~~EL-SSO, et al with the exception of the structural changes discussed below.

This ~~Third~~Fourth Amended Corporate Separation Plan addresses, ~~in general terms~~, (1) how DP&L will maintain separation of its competitive retail electric service and products and services other than retail electric service from its noncompetitive retail electric service, (2) a description of the separate accounting practices that perform this separation of competitive versus noncompetitive retail electric service, (3) a description of the Company's Code of Conduct, (4) ~~its Cost~~DP&L's Cost Allocation Manual and AES US Services Cost Alignment and Allocation Manual, and (5) how the Company's structure and operation is in the public interest and does not create an undue preference or competitive advantage for DP&L's affiliates.

A. Current Organization

DP&L is a regional electric public utility that ~~sells~~distributes electricity to residential, commercial, industrial and governmental customers in West Central Ohio. DP&L provides "retail electric service" to consumers as defined in ~~Revised Code~~ORC Section 4928.01(A)(27). DP&L is an "electric utility" as defined in ~~Revised Code~~ORC Section 4928.01(A)(11) that is engaged in the business of supplying both a noncompetitive retail electric service and competitive retail electric services under ~~Revised Code~~ORC Section 4928.03. Electricity for ~~the Company's service~~ are customers served under DP&L's Standard Service Offer (SSO) is primarily generated by plants wholly-owned or co-owned by DP&L, although beginning in 2014, and at growing

percentages through 2017, a portion of the SSO load will be sourced through Competitive Bids. Specifically, 10% of the SSO load will be sourced through competitive bids commencing January 1, 2014, 40% in 2015, 70% in 2016 through May 31, 2017, and 100% of the SSO load will be sourced through Competitive Bids starting June 1, 2017.

As an integrated electric utility, DP&L operates within the statutory and regulatory framework of the state of Ohio and applicable federal law, providing services to its retail customers within its certified territory pursuant to its obligation to serve. Utility services are provided to its retail customers based on tariffed rates previously approved by the Commission.

On November 28, 2011, The AES Corporation (“AES”) closed on ~~the~~its acquisition of DPL Inc., the parent company of DP&L.—As a result of the acquisition, DPL became a wholly-owned direct subsidiary of AES.—~~On~~ More specifically, on December 22, 2011, after closing of the acquisition of DPL, AES ~~Parent~~ interposed AES DPL Holdings, LLC as an intermediate holding company between AES ~~Parent~~ and DPL.— As a result, AES DPL Holdings, LLC is a wholly-owned direct subsidiary of AES, and DPL Inc. is a wholly-owned direct subsidiary of AES DPL Holdings, LLC and a wholly-owned indirect subsidiary of AES.— Therefore, at all times since November 28, 2011, DPL Inc. has been a wholly-owned subsidiary of AES.

A current organization chart ~~of~~depicting AES DPL Holdings, LLC, DPL Inc. and its subsidiaries, including a brief description of subsidiary activities, is attached as Exhibit 1.

B. Deregulation Legislation

On May 31, 2008, the Ohio General Assembly enacted Substitute Senate Bill 221, creating a new framework under which electric utilities must provide electric service to their customers. This regulatory framework continues the functional separation between the electric utility that generally provides noncompetitive retail electric service and electric utility affiliates that may

provide competitive retail electric services and products and services other than retail electric service. Under this statute, an electric utility cannot, directly or indirectly, provide such competitive retail electric services, as defined by R.C. 4928.01(B), (i) except through a separate affiliate and pursuant to a Commission-approved corporate separation plan that meets the requirements described in Revised Code Section 4928.17, or (ii) except as otherwise permitted by state statute unless the utility implements and operates under a corporate separation plan.

C. Purpose of ~~Third~~Fourth Amended Corporate Separation Plan

Consistent with the policy goals specified in ~~Revised Code~~ORC Section 4928.02, the requirements of ~~Revised Code~~ORC Section 4928.17 and the corporate separation rules adopted by the Commission, this ~~Third~~Fourth Amended Corporate Separation Plan of DP&L is intended to achieve the following:

- (1) Describe the framework under which DP&L and/or its affiliates will engage in the businesses of supplying competitive retail electric services and products or services other than retail electric service; the policies, rules and procedures that will govern the interrelationships among DP&L and its affiliates with respect to such business activities; and how such policies, rules and procedures will be implemented.
- (2) ~~Help to effectuate~~Effectuate the policy specified in ~~Revised Code~~ORC Section 4928.02, specifically to help ensure the availability of adequate, reliable, safe, efficient, nondiscriminatory and reasonably priced retail electric service; ensure the availability of unbundled and comparable retail electric service; ensure diversity of electricity supplies and suppliers; encourage innovation and market access for cost effective supply- and demand-side retail electric service; encourage cost-effective and efficient access to information to promote effective customer choice.
- (3) Satisfy the public interest in preventing unfair competitive advantages and preventing the abuse of market power.
- (4) Allow DP&L and its affiliates to compete fairly, without competitive disadvantages, with other companies engaged in the same or similar businesses, including those companies that are not subject to regulation as electric utilities.

D. Process of Implementing the ~~Third~~Fourth Amended Corporate Separation Plan

DP&L's original Corporate Separation Plan as amended was implemented in response to S. B. 3 and was modified ~~for DP&L's first Standard Service Offer filing made October 10, 2008,~~ to ensure compliance with S. B. 221, and the merger with AES. A number of factors, events and circumstances, many of which cannot reasonably be foreseen or predicted, will influence DP&L's planning. Some of these factors are and will be beyond DP&L's ability to control or will be dependent on the actions of unrelated third parties (e.g., competitors, the co-owners of DP&L's jointly-owned generation and transmission facilities, etc.). Accordingly, DP&L and its affiliates will need a reasonable degree of flexibility. For this reason, the plan is structured in a way to ensure compliance with applicable statutory and regulatory law, while affording DP&L a modicum of discretion to select the precise means for achieving and maintaining such compliance in light of the relevant circumstances.

II. ~~THIRD~~FOURTH AMENDED CORPORATE SEPARATION PLAN PROVISIONS

A. Policy

DP&L acknowledges the policy goals of the state of Ohio as described in Revised Code ORC Section 4928.02. Accordingly, consistent with the corporate separation rules, DP&L will not extend any undue preference or advantage to any of its affiliates that engage in the business of providing a competitive retail electric service or a non-electric retail product or service without just compensation as provided herein. Further, DP&L will act so as to effectuate the

policy specified in Revised Code ORC Section 4928.02 and to satisfy the public interest in preventing unfair competitive advantage and abuse of market power.

As required by Revised Code ORC Section 4928.17 and the corporate separation rules, DP&L will not engage, either directly or through an affiliate, in the business of supplying a noncompetitive retail electric service and either a competitive retail electric service or a product or service other than retail electric service, except as otherwise authorized by law and except pursuant to the provisions of this ~~Third~~Fourth Amended Corporate Separation Plan as approved by the Commission.

B. Fully Separated Affiliates

~~Except as permitted by state law and pursuant to its Commission-approved Third Amended Corporate Separation Plan, DP&L will not directly engage in the business of supplying competitive retail electric services, as defined in Revised Code Section 4928.01(B). Competitive retail electric service will be provided only through an affiliate or affiliates that are fully separate from DP&L, as required by Revised Code Section 4928.17(A)(1).~~

Each such affiliate or business unit offering competitive retail electric services will generally operate separately from DP&L, except as specifically permitted by state statute under this Commission-approved ~~Third~~Fourth Amended Corporate Separation Plan, and such affiliates or business units will operate independently of each other, all as provided herein.

To the extent deemed economically feasible and prudent, DP&L and its affiliates that provide a competitive retail electric service will endeavor to satisfy their own respective needs through their own respective employees, facilities, equipment and other assets and resources. Employees will be employed by one corporate entity (*i.e.*, DP&L, AES US Services, or an

affiliate) and no employee will be employed by more than one entity, although an employee may in certain instances provide services for both his or her employer and an affiliate. As required by ~~Revised Code~~ORC Section 4928.18(D)(2) and OAC Section 4901:1-37-04(A)(5), any common use or sharing of employee services, consultant services, independent contractor services, facilities, equipment, employee benefit plans and/or other services permitted by ~~Revised Code~~ORC Section 4928.18(D)(2) shall not in any way violate the Code of Conduct adopted herein and shall be appropriately accounted for and the costs thereof allocated pursuant to the terms of this plan and as more specifically described in DP&L's Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual provided for under Section II.F and II.G, respectively. DP&L will maintain a copy of any shared employee's job description in DP&L's Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual. ~~specifically described in the Cost Allocation Manual provided for under Section II.F. DP&L will maintain a copy of any shared employee's job description in the Cost Allocation Manual.~~

While the DP&L affiliated group may have certain officers and directors in common, such officers and directors owe a fiduciary duty under general corporate law principles to each of the entities he or she is serving as well as an obligation to such entity to abide by the terms and conditions of this ~~Third~~Fourth Amended Corporate Separation Plan, including without limitation, the Code of Conduct.

C. Accounting Records

As required by ~~Revised Code~~ORC Section 4928.17(A)(1) and corporate separation rule OAC Section 4901:1-37-04(B), DP&L and each affiliate or business unit in the DP&L group will maintain, in accordance with generally accepted accounting principles, an applicable uniform

system of accounts, books, records and accounts that are separate from the books, records and accounts of each other affiliate or business unit.

D. Financial Arrangements

To the extent required by ~~Revised Code~~ORC Section 4928.17(A)(3) and the applicable corporate separation rules, subject to the provisions of Subsection II.A.3. regarding currently existing financing arrangements, and except as may otherwise be approved by the Commission, the financial arrangements of DP&L with respect to its affiliates engaged in the business of providing a competitive retail electric service or a product or service other than retail electric service will be subject to the following restrictions:

- (1) Any indebtedness incurred by an affiliate shall be without recourse to DP&L.
- (2) DP&L will not enter into any agreement with terms under which it is obligated to commit funds to maintain the financial viability of its affiliate.
- (3) DP&L will not make any investment in an affiliate under any circumstances in which it would be liable for the debts or liabilities of such affiliate incurred as a result of actions or omissions of such affiliate.
- (4) DP&L will not issue any security for the purpose of financing the acquisition, ownership or operation of any of its affiliates.
- (5) DP&L will not assume any obligation or liability as a guarantor, endorser, surety, or otherwise with respect to any security of any of its affiliates.
- (6) DP&L will not pledge, mortgage or use as collateral any of its assets for the benefit of any of its affiliates.

E. Code of Conduct

Pursuant to ~~Revised Code~~ORC Section 4928.17(A)(1), which requires the corporate separation plan to include the Code of Conduct ordered by the Commission pursuant to a rule adopted under ~~Revised Code~~ORC Section 4928.06, and consistent with corporate

separation rules OAC Section 4901:1-37-04(D)(1) through (D)(11), DP&L adopts the following Code of Conduct to govern the relationship of DP&L with its affiliates or business units engaged in the business of providing a competitive retail electric service or a product or service other than retail electric service:

- (1) DP&L shall not release any proprietary customer information (*e.g.*, individual customer load profiles or billing histories) to an affiliate, or otherwise, without the prior authorization of the customer, except as required by a regulatory agency or court of law.
- (2) DP&L shall make customer lists, which include names, addresses and telephone numbers, available on a non-discriminatory basis to all non-affiliated and affiliated certified retail electric competitors transacting business in its service territory, unless otherwise directed by the customer. This paragraph does not apply to customer-specific information, obtained with proper authorization, necessary to fulfill the terms of a contract, or information relating to the provision of general and administrative support services.
- (3) Employees of DP&L's affiliates shall not have access to any information about DP&L's transmission or distribution systems (*e.g.*, system operations, capability, price, curtailments and ancillary services), that is not contemporaneously and in the same form and manner available to a non-affiliated competitor of retail electric service.
- (4) DP&L shall treat as confidential all information obtained from a competitive retail electric service provider, both affiliated and non-affiliated, and shall not release such information unless a competitive retail electric service provider provides authorization to do so or unless the information was or thereafter becomes available to the public other than as a result of disclosure by DP&L.
- (5) Except as specifically authorized by state statute and as set forth in its Commission-approved ~~Third~~Fourth Amended Corporate Separation Plan, DP&L shall not tie (nor allow its affiliates to tie) or otherwise condition the provision of its services, discounts, rebates, fee waivers or any other waivers of its ordinary terms and conditions of service, including but not limited to DP&L's tariff provisions, to the taking of any goods or services from affiliates.
- (6) In order to ensure effective competition in the provision of retail electric service, DP&L shall avoid anticompetitive subsidies flowing from a noncompetitive retail electric service to a competitive retail electric service or to a product or service other than retail electric service, and vice versa.

- (7) Upon a request from a customer, DP&L shall provide a complete list of all certified suppliers, registered pursuant to DP&L's tariff requirements, of competitive retail electric services operating on DP&L's system, but shall not endorse any suppliers nor indicate that any supplier will receive preference because of an affiliate relationship.
- (8) DP&L shall strive to ensure that its activities do not create unreasonable sales practices, market deficiencies or market power.
- (9) Employees of DP&L shall not indicate a preference for an affiliated company's services.
- (10) DP&L shall provide comparable access to products and services related to tariffed products and services.
 - (a) DP&L shall not unduly discriminate in the offering of its products and/or services.
 - (b) DP&L shall apply all tariff provisions in the same manner to the same or similarly situated entities, regardless of any affiliation or non-affiliation.
 - (c) DP&L shall not, through a tariff provision, a contract, or otherwise, give its affiliates preference over non-affiliated competitors providing a competitive retail electric service or their customers in matters relating to any product and/or service.
 - (d) DP&L shall follow all tariff provisions.
 - (e) Except to the extent legally permitted, DP&L shall not be permitted to provide discounts, rebates, or fee waivers for any state regulated monopoly service.
 - (f) Violations of this code of conduct shall be enforced and subject to the disciplinary actions described in ~~Revised Code~~ ORC Sections 4928.18(C) and (D).
- (11) Shared representatives and employees of DP&L shall clearly disclose upon whose behalf public representations are being made.
- (12) Notwithstanding any provision contained in this ~~code~~ Code of ~~conduct~~ Conduct, in an emergency situation, DP&L may take actions necessary to ensure public safety and system reliability. DP&L will maintain a log of all such actions that do not comply with this ~~code~~ Code of ~~conduct~~ Conduct.

As part of meeting the requirements of paragraph (8) above, DP&L does not intend to engage in joint advertising or joint marketing of any kind with its affiliates supplying a competitive retail electric service or directly promote or market any product or service offered by any such affiliate, except as authorized by state statute and pursuant to its Commission-approved ~~Third~~Fourth Amended Corporate Separation Plan. DP&L's ~~generation~~competitive retail electric services affiliate and other non-EDU affiliates will not trade upon, promote, or advertise their affiliate relationship with DP&L, nor will DP&L allow the name "The Dayton Power and Light Company" or the logo shown on Exhibit 2 to be used in Ohio by an affiliate in any material circulated by the affiliate, unless it discloses in plain legible or audible language, on the first page or at the first point where DP&L's name or logo is mentioned, that: (i) the affiliate is not the same company as DP&L; (ii) the affiliate is not regulated by the Commission; and (iii) the customer does not have to buy the affiliate's products in order to continue to receive quality, regulated service from DP&L.

F. DP&L's Cost Allocation Manual

In order to help ensure that anticompetitive cross-subsidization does not occur between DP&L and its affiliates and business units providing any competitive retail electric service or any product or service other than retail electric service, DP&L or its business unit will maintain a Cost Allocation Manual as required by OAC Section 4901:1-37-08. With respect to any asset, product or service provided or transferred by an affiliate or business unit to DP&L, or by DP&L to an affiliate or business unit, the affiliate or business unit providing or receiving the same shall submit to DP&L for inclusion in ~~the~~DP&L's Cost Allocation Manual, and DP&L shall maintain

in the DP&L's Cost Allocation Manual, information documenting the allocation of costs between the affiliate or business unit and DP&L. ~~The~~ DP&L's Cost Allocation Manual will include the methods to be used for allocating costs and transferring assets between DP&L and its affiliates and business units, which costs will be based on "fully allocated costs" as required by corporate separation rule OAC Section 4901:1-37-04(B) and will be traceable to the books of the applicable corporate entity providing such product or service or making such transfer.

In addition to this information, ~~the~~ DP&L's Cost Allocation Manual will include the following:

- (a) An organization chart of DPL Inc. depicting all active affiliates, as well as a description of activities in which such affiliates are involved.
- (b) A description of all assets, services and products provided to and from DP&L and its affiliates.
- (c) A copy of the job description of each shared employee.
- (d) Information on employees who have either transferred from DP&L to one of its affiliates or are shared between DP&L and such affiliate, including a copy of all transferred employees' previous and new job descriptions and a list of names and job summaries for shared consultants and shared independent contractors.
- (e) A log of all complaints made to DP&L regarding corporate separation.
- (f) Minutes of each DP&L board of directors meeting.

DP&L and its affiliates and business units will maintain all affiliate transaction information and the DP&L board of ~~directors'~~ directors minutes in the DP&L's Cost Allocation Manual for not less than three years. As required by the corporate separation rules, ~~the initial version of the revised~~ DP&L's Cost Allocation Manual will be made available to the Commission's Staff for review. Upon approval of this ~~Third~~ Fourth Amended Corporate Separation Plan, DP&L will send to the Director of the Utilities Department of the Commission

(or ~~their~~ his/her designee) a summary every twelve months of any significant changes made in ~~the~~ DP&L's Cost Allocation Manual during such twelve-month period. Pursuant to corporate separation rule OAC Section 4901:1-37-08(I), DP&L designates the ~~general counsel~~ General Counsel of DP&L or his/her designee to act as a contact person for the Commission's Staff when seeking data regarding affiliate and business unit transactions, personnel transfers and sharing of employees. DP&L may change this designation at any time, and will promptly notify the Commission of any change.

G G. AES US Services Cost Alignment and Allocation Manual

AES US Services, LLC ("AES US Services") is a subsidiary of the The AES Corporation ("AES"). AES US Services provides a range of services to specific affiliates of AES, including Indianapolis Power & Light Company ("IPL"), IPALCO Enterprises, Inc. ("IPALCO"), IPL Funding Corporation ("IPL Funding"), Mid-America Capital Resources, Inc. ("MACR"), AES NA Central, LLC ("NA-Central"), DPL Inc. ("DPL Inc."), The Dayton Power & Light Company ("DP&L"), DPL Energy Resources, Inc. ("DPLER"), MC Squared Energy Services, LLC ("MC2"), DPL Energy, LLC ("DPLE"), Miami Valley Lighting, LLC ("MVLT"), Miami Valley Insurance Company, Inc. ("MVIC"), and MacGregor Park, Inc. ("MacGregor Park"), otherwise known as the "Affiliates". AES US Services will allocate prudently-incurred costs to the Affiliates to achieve the following goals: prevent cross-subsidization of one entity by another, maximize synergies and economies of scale in AES US Services operations, and minimize the time and expense needed to record and audit the transactions. All costs incurred by AES US Services are recovered at cost, and there is no "mark-up" or "profit" on the charges of AES US Services.

The Controller of AES US Services (or his or her designee) will be responsible for updating and maintaining the AES US Services Cost Alignment and Allocation Manual. Allocation methods and bases shall be reviewed, and if necessary updated, at least annually, in order to ensure that allocations are representative of the overall scope and level of business activities between AES US Services and the Affiliates. Accordingly, revisions will be made to the AES US Services Cost Alignment and Allocation Manual as needed. All changes will be coordinated with the Affiliates and communicated as needed to the employees of AES US Services. Additionally, the Controller of AES US Services (or his or her designee) will notify the Director of the Utilities Department of the PUCO of any material changes to the AES US Services Cost Alignment and Allocation Manual.

AES US Services shall maintain (in accordance with generally accepted accounting principles, the applicable uniform system of accounts, and the Code of Federal Regulations) books, entries, accounts, and other records of all of its transactions in sufficient detail so as to permit audits. Allocated costs shall be traceable to the books of the applicable Affiliates. AES US Services and Affiliates shall maintain all underlying transaction information for a minimum of five years. Such books, accounts, and pertinent records that relate to intercompany transactions shall be readily available for review and audit by the applicable Commissions consistent with applicable state laws, as well as to internal and external auditors of AES US Services or the Affiliate Companies as required by law. The Controller of AES US Services (or his or her designee) will maintain these supporting documents at AES US Services' headquarters located in Indianapolis, Indiana.

H. Complaint Procedures

All complaints received by DP&L with respect to compliance with the corporate separation rules will be referred to the General Counsel of DP&L or his or her designee. If and to the extent that the complaint provides basic information sufficient to enable the General Counsel or his or her designee to do so, the General Counsel or his or her designee will acknowledge the complaint within five business days of its receipt and will thereafter prepare a written statement of the complaint, containing the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved and the specific claim. The General Counsel or his or her designee will communicate the results of any preliminary investigation made by legal counsel or his or her designee to the complainant in writing in not less than 30 days after the complaint has been received, including a description of any course of action taken. ~~The legal counsel~~ General Counsel or his or her designee will also keep a file to be placed in ~~the DP&L's~~ Cost Allocation Manual of any complaint statements for a period of not less than three years. This complaint procedure will not in any way limit the rights of a party to file a complaint with the Commission.

HI. Access to Books and Records

DP&L will comply with legally enacted corporate separation rules relating to Commission and Staff access to, and review of, books and records of DP&L and its affiliates.

IJ. Effective Date

~~The~~In order to continue to operate in an efficient and effective manner, the above plan provisions with respect to the AES US Services will become effective upon Commission approval take effect January 1, 2014.

III. IMPLEMENTATION OF AMENDED CORPORATE SEPARATION PLAN

A. Corporate Reorganization

1. Transfer of Businesses and Assets to Separate Corporate Entities

Prior to January 1, 2001, DP&L has (i) previously had transferred some of its generating assets and ~~some of its retail~~ competitive generation service business to one or more fully separated affiliates or business units ~~or (ii) and~~ functionally separated its retail generation business from its non-competitive retail electric service under DP&L. Both the fully separated competitive retail electric service affiliate and DP&L are wholly-owned by DPL Inc. DP&L plans to transfer to an affiliate or sell to a third party all of its generating assets by May 31, 2017.

~~In addition, since the approval of DP&L's Second Amended Corporate Separation Plan, on November 28, 2011, DPL Energy Resources, Inc. acquired MC Squared Energy Services, LLC ("MC2"), a competitive retail electric service supplier based in Illinois. As a result, MC2 is a wholly-owned direct subsidiary of DPLER, which in turn is a wholly-owned direct subsidiary of DPL Inc.~~

Organization charts showing how DPL Inc. and its affiliates are organized are attached as Exhibit 1.

2. Functional Separation

DP&L's various operations have been functionally separated ~~for a number of years since~~ 2001. Functional separation is used where legal separation is not feasible or is unnecessary. The obstacles to legal separation are described below.

3. Indenture and ~~Related~~ Financing Issues

Substantially all of the assets of DP&L, including its electric generating assets and transmission and distribution assets, are subject to, and encumbered by, the first mortgage lien of the indenture pursuant to which DP&L's outstanding first mortgage bonds were issued. The controlling indenture was drafted in the 1930's and did not contemplate or include ~~provisions~~ readily ~~enabling DP&L to redeploy its assets as required by,~~ or desirable in connection with, the deregulation of the electric utility industry. As a result, a large number of complex indenture-~~related and financing issues would have to be analyzed and~~ resolved for DP&L to permit the legal transfer of the electric generating assets.

B. ~~Sharing~~ of Employees, Facilities and Services

Shared employees, facilities and services are accounted for according to the time or use they provide to each entity.

The transmission service ~~business unit~~ of DP&L is administered entirely through the PJM Interconnection.

As described in Subsection III.A.1., DPL Inc. currently has a number of wholly-owned subsidiaries that provide services or facilities to DP&L and its affiliates. It is anticipated that these subsidiaries will continue. ~~In addition, to provide services to DP&L and other affiliated companies. As described in Subsection II.G., it is possible that DPL Inc. will determine that it~~

~~is economically feasible and prudent to provide additional~~certain services on a company-wide or shared basis, such as legal, accounting, auditing, finance, insurance, real estate or human resource services. Also, employees of DP&L and its affiliates currently participate in employee benefit plans that are common to one or more of such entities. For economic purposes as well as for Internal Revenue Code and ERISA compliance reasons, DPL Inc. and its subsidiaries may determine that their current employee benefit plans should continue to cover employees of DP&L and one or more of its affiliates rather than causing each entity to establish and maintain separate plans. In such event, the costs of employee benefit plans are allocated to each affiliate in proportion to the number of employees covered by each such plan or, if not allocable on such basis, in accordance with the other rules for allocating these costs among affiliates as described in the ~~Cost Allocation Manual. In the event that separation of such plans becomes economically feasible and prudent, DP&L and the other subsidiaries of DPL Inc. may establish and maintain separate employee benefit plans.~~AES US Services Cost Alignment and Allocation Manual.

Any of the above-described services (or ~~any~~ other services) which are provided by DP&L to an affiliate or by an affiliate to DP&L will be properly described in ~~the Cost~~DP&L's Cost Allocation Manual or the AES US Services Cost Alignment and Allocation Manual, and the cost of such services shall be allocated pursuant to the methods of allocation described in ~~the Cost~~DP&L's Cost Allocation Manual or the AES US Services Cost Alignment and Allocation Manual.

C. Employee Education and Training

To maintain employee awareness of the requirements in this ~~Second~~Fourth Amended Corporate Separation Plan, including, without limitation, the Code of Conduct provisions and

~~the DP&L's Cost Allocation and the AES US Services Cost Alignment and Allocation Manual~~ requirements, DP&L will train its employees on the subject. This training is either provided live or via a web-based program. The program ~~describes~~will describe the ~~Third~~Fourth Amended Corporate Separation Plan (and how the plan affects each employee in light of his or her job description and the specific company for which the employee works or will be working), the provisions of the Code of Conduct to be followed by the employees, the appropriate documentation to be forwarded to DP&L to be included in ~~the Cost~~DP&L's Cost Allocation Manual or the AES US Services Cost Alignment and Allocation Manual and when such documentation should be forwarded, the complaint procedure and the methods for bringing complaints and violations to the attention of the appropriate party. The compliance procedure (described below) and penalties and consequences with respect to the failure of an employee or an affiliate to comply with the ~~Third~~Fourth Amended Corporate Separation Plan or the Code of Conduct will also be explained at these sessions. The employees will also be advised of the penalties to which DP&L will be subject in the event of a failure to comply. Once the ~~Third~~Fourth Amended Corporate Separation plan is approved, DP&L will implement the Employee Education Plan as set forth in Exhibit 4.

D. Compliance Procedure

To ensure that its ~~Third~~Fourth Amended Corporate Separation Plan is implemented properly by DP&L and its affiliates, DP&L will implement the following compliance monitoring procedures and plans for corrective action:

- (1) After training, each employee of DP&L or its affiliates will be required to acknowledge participation in the training.

- (2) Employees may report to the General Counsel possible violations of the Code of Conduct and other failures to comply with the ~~Third~~Fourth Amended Corporate Separation Plan.
- (3) Possible violations and other failures will be reported to the General Counsel, who will investigate such matters, prepare a report and, if appropriate, a course of recommended action and report to management. DP&L and the relevant affiliate will take reasonable steps necessary to remedy such violation.
- (4) Failure to observe the limitations described in the Code of Conduct with regard to the use of non-public DP&L information will result in appropriate disciplinary action.

IV. DESCRIPTION OF COMPLIANCE WITH COMMISSION RULES FOR CORPORATE SEPARATION PLANS.

In accordance with Corporate Separation Rule OAC §4901:1-37-05(B)(12), DP&L lists below each corporate separation rule and a description of how DP&L will comply with that rule:

Corporate Separation Rule OAC §4901:1-37-04(A)(2) – Each electric utility and its affiliate that provide services to customers within the electric utility’s service territory shall not share facilities and services if such sharing in any way violates paragraph (D) of this rule.

As described in Section II.B., any sharing of facilities or services by DP&L with any of its affiliates will be subject to the Code of Conduct restrictions and ~~Cost~~DP&L’s Cost Allocation Manual or the AES US Services Cost Alignment and Allocation Manual requirements.

Corporate Separation Rule OAC §4901:1-37-04(B) - Each electric utility and its affiliates shall maintain, in accordance with generally accepted accounting principles, an applicable uniform system of accounts, books, records and accounts that are separate from the books, records and accounts of its affiliates.

As described in Section II.C., DP&L and each of its affiliates will maintain separate books, records and accounts in accordance with the provisions of this rule.

Corporate Separation Rule OAC §4901:1-37-04(C)(1) – Unless otherwise approved by the Commission, the financial arrangements of an electric utility are subject to the following restrictions: Any indebtedness incurred by an affiliate shall be without recourse to the electric utility.

As described in Subsection II.D.1., any indebtedness incurred by an affiliate of DP&L will be without recourse to DP&L.

Corporate Separation Rule OAC §4901:1-37-04(C)(2) – Unless otherwise approved by the Commission, the financial arrangements of an electric utility are subject to the following restrictions: an electric utility shall not enter into any agreement with terms under which the electric utility is obligated to commit funds to maintain the financial viability of an affiliate.

As described in Subsection II.D.2., DP&L will not enter into any agreement with terms under which it is obligated to commit funds to maintain the financial viability of an affiliate.

Corporate Separation Rule OAC §4901:1-37-04(C)(3) - An electric utility shall not make any investment in an affiliate under any circumstances in which the electric utility would be liable for the debts and/or liabilities of the affiliate incurred as a result of actions or omissions of an affiliate.

As described in Subsection II.D.3., DP&L will not make any investment in an affiliate under any circumstances in which DP&L would be liable for the debts and/or liabilities of such affiliate incurred as a result of actions or omissions of such affiliate.

Corporate Separation Rule OAC §4901:1-37-04(C)(4) - An electric utility shall not issue any security for the purpose of financing the acquisition, ownership or operation of an affiliate.

As described in Subsection II.D.4., DP&L will not issue any security for the purpose of financing the acquisition, ownership or operation of any of its affiliates.

Corporate Separation Rule OAC §4901:1-37-04(C)(5) - An electric utility shall not assume any obligation or liability as a guarantor, endorser, surety, or otherwise with respect to any security of an affiliate.

As described in Subsection II.D.5., DP&L will not assume any obligation or liability as a guarantor, endorser, surety or otherwise with respect to any security of any of its affiliates.

Corporate Separation Rule OAC §4901:1-37-04(C)(6) - An electric utility shall not pledge, mortgage, or use as collateral, any assets of the electric utility for the benefit of an affiliate.

As described in Subsection II.D.6., DP&L will not pledge, mortgage or use as collateral, any assets of DP&L for the benefit of any of its affiliates.

Corporate Separation Rule OAC §4901:1-37-04(D)(1) - The electric utility shall not release any proprietary customer information (*e.g.*, individual customer load profiles or billing histories) to an affiliate, or otherwise, without the prior authorization of the customer, except as required by a regulatory agency or court of law.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also See Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(2) - On or after the effective date of this chapter, the electric utility shall make customer lists, which include name, address and telephone number, available on a nondiscriminatory basis to all nonaffiliated and affiliated certified retail electric service providers transacting business in its service territory, unless otherwise directed by the customer. This provision does not apply to customer-specific information, obtained with proper authorization, necessary to fulfill the terms of a contract, or information relating to the provision of general and administrative support services.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(3) - Employees of the electric utility's affiliates shall not have access to any information about the electric utility's transmission or distribution systems (*e.g.*, system operations, capability, price, curtailments and ancillary services), that is not contemporaneously and in the same form and manner available to a nonaffiliated competitor of retail electric service.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(4) - An electric utility shall treat as confidential all information obtained from a competitive retail electric service provider, both affiliated and non-affiliated, and shall not release such information unless a competitive retail electric service provider provides authorization to do so or unless the information was thereafter becomes available to the public other than as a result of disclosure by the utility.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(5) - The electric utility shall not tie (nor allow an affiliate to tie) or otherwise condition the provision of the electric utility's regulated services, discounts, rebates, fee waivers, or any other waivers of the electric utility's ordinary terms and conditions of service, including but not limited to tariff provisions, to the taking of any goods and/or services from the electric utility's affiliates.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(6) – The electric utility shall ensure effective competition in the provision of retail electric service by avoiding anticompetitive subsidies flowing from a noncompetitive retail electric service to a competitive retail electric service or to a product or service other than retail electric service, and vice versa.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(7) - The electric utility, upon request from a customer, shall provide a complete list of all competitive retail electric service providers operating on the system, but shall not endorse any competitive retail electric service providers or indicate that any competitive retail electric service providers will receive preference because of an affiliate relationship.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(8) – The electric utility shall ensure retail electric service consumers protection against unreasonable sales practices, market deficiencies, and market power.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(9) – Employees of the electric utility shall not indicate a preference for an affiliated electric services company.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10) - The electric utility shall provide comparable access to products and services related to tariffed products and services and specifically comply with the following:

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(a) - An electric utility shall be prohibited from unduly discriminating in the offering of its products and/or services.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(b) - The electric utility shall apply all tariff provisions in the same manner to the same or similarly situated entities, regardless of any affiliation or non-affiliation.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(c) - The electric utility shall not, through a tariff provision, a contract, or otherwise, give its affiliates preference over nonaffiliated competitors of retail electric service or their customers in matters relating to any product and/or service.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(d) - The electric utility shall strictly follow all tariff provisions.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(10)(e) - Except to the extent allowed by state law, the electric utility shall not be permitted to provide discounts, rebates, or fee waivers for any state regulated monopoly service.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(D)(11) – Shared representatives or shared employees of the electric utility and affiliated electric services company shall clearly disclose upon whose behalf their public representations are being made.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-04(E)(1) and (2) – Notwithstanding the foregoing, in a declared emergency situation, an electric utility may take actions necessary to ensure public safety and system reliability. The electric utility shall maintain a log of all such actions that do not comply with this chapter and such log shall be subject to review by the Commission and its staff.

See Section II.E. above which describes DP&L's and its affiliates' obligation to comply with the Code of Conduct. Also, see Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-05(B)(8) - A description and timeline of all planned education and training, throughout the holding company structure, to ensure that electric utility and affiliate employees know and can implement the policies and procedures of this rule.

As described in Section III.C., DP&L has instituted an education and training program to familiarize the employees of DP&L and its affiliates with the requirements of the Amended Corporate Separation Plan. Information will be maintained on the Company website. See Exhibit 4.

Corporate Separation Rule OAC §4901:1-37-05(B)(9) - A copy of a policy statement to be signed by electric utility and affiliate employees who have access to any nonpublic electric utility information, which indicates that they are aware of, have read, and will follow all policies and procedures regarding limitation on the use of nonpublic electric utility information. The statement will include a provision stating that failure to observe these limitations will result in appropriate disciplinary action.

See Exhibit 3.

Corporate Separation Rule OAC §4901:1-37-05(B)(10) - A description of the internal compliance monitoring procedures and the methods for corrective action for compliance.

See Section III.D.

Corporate Separation Rule OAC §4901:1-37-05(B)(14)(a)-(f) - The electric utility shall establish a complaint procedure for the issues concerning compliance with this chapter, which at minimum shall include the following: All complaints, whether written or oral, shall be referred to the General Counsel of the utility or his or her designee. The General Counsel shall orally acknowledge the complaint within five working days of its receipt. The General Counsel shall prepare a written statement of the complaint that shall contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and the specific claim. The General Counsel shall communicate the results of the preliminary investigation to the complainant in writing within thirty days after the complaint was received, including a description of any course of action that was taken. The General Counsel shall keep a file in the CAM of all such complaint

statements for a period of not less than three years. This complaint procedure shall not in any way limit the rights of a party to file a complaint with the Commission.

As described in Section II.GH. above, DP&L will establish a complaint procedure concerning compliance with the corporate separation rules. Such procedure will follow those described by this rule.

Corporate Separation Rule OAC §4901:1-37-07(A) – The electric utility shall maintain records sufficient to demonstrate compliance with this chapter, and shall produce, upon request of ~~staff~~Staff, all books, accounts, and/or other pertinent records kept by an electric utility or its affiliates as they may relate to the businesses for which corporate separation is required under ~~Section~~OAC Section 4928.17, including those required under ORC Section 4928.145.

~~4928.17 of the Revised Code, including those required under section 4928.145 of the Revised Code.~~

As described in Section II.HI. above, DP&L will comply with the corporate separation rules relating to the examination of books and pertinent records.

Corporate Separation Rule OAC §4901:1-37-07(B) - The ~~staff~~Staff may investigate such electric utility and/or affiliate operations and the interrelationship of those operations at the ~~staff's~~Staff's discretion. In addition, the employees and officers of the electric utility and its affiliates shall be made available for informational interviews, at a mutually agreed time and place, as required by the staff to ensure proper separations are being followed.

As described in Section II.HI. above, DP&L will comply with the corporate separation rules relating to investigating DP&L and will make available its employees and officers for informational interviews.

Corporate Separation Rule OAC §4901:1-37-07(C) - If such employees, officers, books and records cannot be reasonably made available to the ~~staff~~Staff in the ~~state~~State of Ohio, then

upon request of the ~~staff~~Staff, the appropriate electric utility or affiliate shall reimburse the Commission for reasonable travel expenses incurred.

See Section II.HI. above.

Corporate Separation Rule OAC 4901:1-37-08(A) - Each electric utility that receives products and/or services from an affiliate and/or that provides products and/or services to an affiliate shall maintain information in the CAM, documenting how costs are allocated between the electric utility and affiliates and the regulated and nonregulated operations.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(B) - The CAM will be maintained by the electric utility.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(C) - The CAM is intended to ensure the Commission that no cross-subsidization is occurring between the electric utility and its affiliates.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D) - The CAM will include:

Corporate Separation Rule OAC 4901:1-37-08(D)(1) - An organization chart of the holding company, depicting all affiliates, as well as a description of activities in which the affiliates are involved.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(2) - A description of all assets, services and products provided to and from the electric utility and its affiliates.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(3) - All documentation including written agreements, accounting bulletins, procedures, work order manuals, or related documents, which govern how costs are allocated between affiliates.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(4), (5) and (6) – A copy of the job description of each shared employee. A list of names and job summaries for shared consultants and shared independent contractors. A copy of all transferred employees' ~~employees~~ (from the electric utility to an affiliate or vice versa) previous and new job descriptions.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(7) - A log of all complaints brought to the utility regarding this rule.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(D)(8) – A copy of the minutes of each board of directors meeting, where it shall be maintained for a minimum of three years.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(E) - The method for charging costs and transferring assets shall be based on fully allocated costs.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(F) - The costs should be traceable to the books of the applicable corporate entity.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(G) - The electric utility and affiliates shall maintain all underlying affiliate transaction information for a minimum of three years.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(H) - Following approval of a corporate separation plan, an electric utility shall provide the director of the utilities department (or their designee) with a summary of any changes in the CAM at least every twelve months.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

Corporate Separation Rule OAC 4901:1-37-08(I) - The compliance officer designated by the electric utility will act as a contact for the staff when staff seeks data regarding affiliate transactions, personnel transfers, and the sharing of employees.

See Section II.F. and Section II.G. regarding the adoption and use of a Cost Allocation Manual and the AES US Services Cost Alignment and Allocation Manual by DP&L and its affiliates.

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