

**Public Utilities
Commission**

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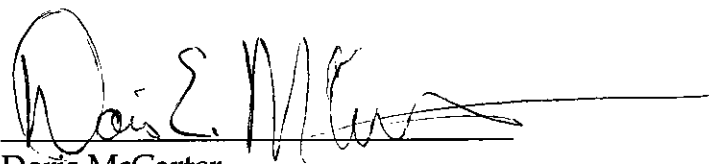
November 16, 2017 **PUCO**

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RE: *In the Matter of the Application of Dayton Power and Light Company for Authority to
Issue and Assume Liability on Short-Term Notes and Other Evidences of Indebtedness*

Dear Docketing Division:

Enclosed please find Staff's Review and Recommendation in regard to the application
of Dayton Power and Light Company for authority to issue short-term debt in Case No.
17-2107-EL-AIS.



Doris McCarter

Division Chief, Forecasting, Markets and Corporate Oversight
Rates and Analysis Department
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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In the Matter of the Application of the)
Dayton Power and Light Company for) Case No. 17-2107-EL-AIS
Authority to Issue and Assume Liability on)
Short-Term Notes and Other Evidences of)
Indebtedness)

APPLICATION DESCRIPTION

On October 10, 2017, DP&L filed its application and exhibits (collectively, “Application”), pursuant to R.C. section 4905.401, requesting Commission authorization to issue and/or renew short-term promissory notes, including revolving loan agreement loans, and other evidences of indebtedness (collectively, “Debt”) for terms of less than 12 months in an aggregate amount not to exceed \$300 million at any one time.

DP&L proposes to use the proceeds from the Debt to discharge or refund its long-term debt obligations and for other general corporate purposes. DP&L completed the structural separation of its generation assets during 2017, and DP&L believes the requested authority provides them

¹ See Commission Order dated December 21, 2016, in Case No. 16-2125-EL-AIS.

with access to an adequate level of liquidity needed to support their local transmission and distribution ("T&D") operations.

In addition to daily operations and maintenance expenses, DP&L has an approximate budget of approximately \$90 million for capital expenditures. DP&L plans to fund its capital expenditures with cash from its operations, but due to working capital requirements, seasonality, major unplanned outages and repair work, there may be times that temporary draws from Debt facilities may be required.

RECOMMENDATION

Upon review of the Application, Staff believes the requested authority is appears reasonable for a T&D utility company the size of DP&L and recommends approval of the Application.