BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the Significantly Excessive Earnings Test under Section 4928.143(F), Ohio Revised Code, and Rule 4901:1-35-03(C)(10), Ohio Administrative Code for The Dayton Power and Light Company	:	Case No. 17-1213-EL-UNC
In the Matter of the Application of the Significantly Excessive Earnings Test under Section 4928.143(F), Ohio Revised Code, and Rule 4901:1-35-03(C)(10), Ohio Administrative Code for The Dayton Power and Light Company	:	Case No. 18-873-EL-UNC

STIPULATION AND RECOMMENDATION

INTRODUCTION

Rule 4901-1-30, Ohio Administrative Code (O.A.C.) provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such a proceeding. The purpose of this document is to set forth the understanding and agreement of the parties who have signed below (the "Signatory Parties") and to recommend that the Public Utilities Commission of Ohio ("PUCO" or "Commission") approve and adopt this Stipulation and Recommendation ("Stipulation"), as part of its Opinion and Order in these proceedings, resolving all of the issues in these proceedings.

This Stipulation is supported by adequate data and information; represents a just and reasonable resolution of the issues in these proceedings; violates no regulatory principle or precedent; and is the product of serious bargaining among knowledgeable and capable Signatory

Parties in a cooperative process and undertaken by the Signatory Parties to resolve the aforementioned issues. For purposes of resolving the issues raised by these proceedings, the Signatory Parties stipulate, agree, and recommend as set forth below.

PARTIES

This Stipulation is entered into by and between The Dayton Power and Light Company ("DP&L" or "Company") and the Ohio Energy Group ("OEG") (collectively the "Signatory Parties").

STIPULATION

The Signatory Parties stipulate and recommend that OEG be granted intervention in Case No. 17-1213-EL-UNC.

The Company has calculated its earned return on equity in 2016, as adjusted by specific items contemplated by the Commission in Case No. 09-786-EL-UNC, to be 9.4 percent. The Company has further calculated its earned return on equity in 2017, as adjusted by specific items contemplated by the Commission in Case No. 09-786-EL-UNC, to be 4.0% for the first nine months of 2017 (pre-generation separation) and 0.5% for the latter 3 months of 2017 (post-generation separation) for a combined ROE of 4.5% percent. The Signatory Parties stipulate, and recommend that DP&L did not incur significantly excessive earnings with respect to the Company's ESP in 2016 or 2017.

The Signatory Parties stipulate, and recommend that the Commission admit the Company's Applications and accompanying materials filed on May 15, 2017 and May 15, 2018 into the record of these proceedings and issue its Opinion and Order in these proceedings determining that significantly excessive earnings under Revised Code Section 4928.143(F) did not occur with respect to the Company's ESP in 2016 or 2017.

PROCEDURAL ISSUES

This Stipulation is submitted for purposes of these proceedings only, and is not deemed binding in any other proceeding, nor is it to be offered or relied upon in any other proceedings, except as necessary to enforce the terms of this Stipulation. The agreement of the Signatory Parties reflected in this document is expressly conditioned upon its acceptance in its entirety and without alteration by the Commission. The Signatory Parties agree that if the Commission or any court of competent jurisdiction rejects all or any material part of this Stipulation, or otherwise materially modifies its terms, any adversely affected Signatory Party shall have the right to file an application for rehearing or a motion for reconsideration. If such application or motion is filed, and if the Commission or court does not, on rehearing or reconsideration, accept the Stipulation without material modification within 45 days of the filing of such motion, then anytime thereafter the adversely affected Signatory Party may terminate its Signatory Party status without penalty or cost and regain its rights as a non-Signatory Party as if it had never executed the Stipulation by filing a notice with the Commission and the other Signatory Parties.

Unless the Signatory Party exercises its right to terminate its Signatory Party status as described above, each Signatory Party agrees to and will support the reasonableness of this Stipulation before the Commission, and to cause its counsel to do the same, and in any appeal from the Commission's adoption and/or enforcement of this Stipulation. The Signatory Parties also agree to urge the Commission to accept and approve the terms hereof as promptly as possible.

IN WITNESS WHEREOF, this Stipulation has been signed by the authorized agents of the undersigned Parties as of this 22nd day of October, 2018. The undersigned Parties respectfully request the Commission to issue its Opinion and Order determining that significantly excessive earnings did not occur with respect to the Company's ESP in 2016 or 2017. The Stipulation will be held open for additional intervenors and parties to sign on as Signatory Parties until the issuance of an Order by the Commission.

THE DAYTON POWER AND LIGHT COMPANY

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CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing was served upon the persons listed below via electronic transmission this 22nd day of October 2018:

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/s/ Michael J. Schuler
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