

The Dayton Power and Light Company
Transmission Formula Rate
2020 Annual True-up Adjustment
Disclosures
July 27, 2021

1. Inputs That Vary from FERC Form 1

Item	FERC Form 1 Page Reference Transmission Formula Rate Reference	Reason for Variance
Construction Work in Progress Prepayments	FF1: Page 216.3, line 24 footnote TFR: Worksheet 5 and Worksheet 4, Lines 18-22	Trebein Substation – progress payments should have been recorded in Account 165 (Prepayments) and not in Account 107 (CWIP) for each month of 2020 (December is correct). Reductions made to Trebein CWIP which is included in rate base and additions made to Prepayments which is allocated to transmission and included in rate base.
Materials and Supplies	FF1: Page 227, Line 5 footnote TFR: Worksheet 4, Line 25	Amounts for transmission portion of construction not determined consistent with Settlement. Amounts corrected.
Investment Tax Credit Amortization	FF1: Page 266, Line 7 footnote TFR: Worksheet 4, Lines 67-68	Amounts are the balance of unamortized ITC at 12/31/2020 and not the transmission and general portion of ITC amortization. Amounts corrected.
Accumulated Deferred Income Taxes	Page 274, Line 2, footnote	Amount allocated to transmission and the breakdown of the transmission amount are not correct. Amounts have been corrected.
Revenue Credits	Page 300, Line 26, footnote Worksheet 3, Line 11 (\$620,541 included in this item)	Amount of \$620,541 under 456 should not be included in transmission revenue credits as it is the sum of distribution revenue from wholesale customers, which facilities are not included in the transmission formula rate, and Transmission Enhancement Charge revenue already reflected in the ATRR on Appendix A, Line 169.

2. Several references and a few descriptions on the transmission formula rate needed to change to accommodate schedules used for the annual true-up adjustment only, references to footnotes in the FERC Form 1 and adjustments to accommodate the Settlement (i.e. Prepayments for the Trebein transmission project progress payments). These changes are indicated by use of blue highlighting.
3. Administrative and General Expense: Per the Settlement, DP&L relies upon the assignment and allocation of actual A&G expenses to transmission to determine the amount of A&G expense to include in the transmission formula rate. There is a small amount of A&G that is allocated to transmission in the formula rate. See below. Worksheet 13 contains administrative and general expenses by FERC account by function. Dayton includes the transmission portion of A&G expenses pf \$9.1 M in the ATRR on Appendix A, Line 77.

Allocated Administrative & General Expenses			
63	Total A&G	(Note G, V & W)	(Attachment 4, Line 31) 73,522,883
64	Less Property Insurance Expense		(Attachment 4, Line 30) 0
65	Less Regulatory Commission Expense	(Note D)	(Attachment 4, Line 34) 0
66	Less Service Company and DP&L Costs Directly Assigned to A&G Distribution an	(Note O)	(Attachment 4, Line 33) 73,441,553
67	Less EPRI Dues and Lobbying Expenses	(Note C)	(Attachment 4, Line 36 & Attachment 4, Line 37) 0
68	Administrative & General Expenses		(Lines 63 - 64 - 65 - 66 - 67) 81,330
69	Wage & Salary Allocator		(Line 5) 15.9%
70	Administrative & General Expenses Allocated to Transmission		(Line 68 * Line 69) 12,927
Directly Assigned A&G			
71	Regulatory Commission Expense - Transmission	(Note E)	(Attachment 4, Line 35) 0
72	Service Company and DP&L Costs Directly Assigned to A&G Transmission	(Note O)	(Attachment 4, Line 32) 9,087,258
73	Subtotal		(Line 71 + Line 72) 9,087,258
74	Property Insurance Account 924		(Line 64) 0
75	Net Plant Allocator		(Line 12) 16.0%
76	Property Insurance Allocated to Transmission		(Line 74 * Line 75) 0
77	Total A&G for Transmission		(Lines 70 + 73 + 76) 9,100,185