

THE DAYTON POWER & LIGHT COMPANY

COST ALLOCATION MANUAL

Revision Date: January 1, 2022

The Dayton Power and Light Company
Cost Allocation Manual

TABLE OF CONTENTS

| | | |
|-------------|---|-------|
| I. | COST ALLOCATION PRINCIPLES | |
| | Purpose of Cost Allocation Manual | 1 |
| | Regulatory Requirements | 1 |
| | Cost Allocation Manual (CAM) Files | 2 |
| | Updating Procedures | 2 |
| | Record Retention Process | 2 |
| | Directing Regulatory Questions | 2 |
| | Effective Date | 3 |
| II. | COST ALLOCATION APPROACH | |
| | Cost Allocation Philosophy | 4 |
| | Three Step Process | 4 |
| | Direct Costs | 5 |
| | Indirect Costs | 5 |
| | Cost Center Cost Transfers | 6 |
| | Corporate Allocations | 6 |
| | Asset Transfers | 7 |
| | Use of Assets by Affiliates | 7 |
| | Intercompany Accounting Between Affiliates | 7 |
| III. | COST ALLOCATION PROCEDURES USED FOR AFFILIATE TRANSACTIONS | |
| | Overview | 9 |
| | Allocation Bases | 9 |
| | Cost Center Cost Transfers | 9 |
| | Corporate Allocations | 10-11 |
| | Cost Center Descriptions & Basis for Cost Allocation | 12-39 |

The Dayton Power and Light Company
Cost Allocation Manual

I. COST ALLOCATION PRINCIPLES

PURPOSE OF COST ALLOCATION MANUAL

The Dayton Power and Light Company (“DP&L” or “the Company”) has developed a comprehensive cost alignment framework to reflect appropriately the costs of services related to its various affiliates. DP&L’s Cost Allocation Manual (CAM) documents the overall philosophy and process by which the costs of providing these services, both regulated and unregulated, are identified. More specifically, the CAM addresses the proper reflection of the costs of services and assets transferred between regulated and unregulated affiliates. Additionally, DP&L’s Cost Allocation Manual directly supports the requirements established by the Public Utilities Commission of Ohio (PUCO) regarding the proper segregation of costs between business units. On January 1, 2014 DPL Inc. and its subsidiaries entered into a service agreement with AES US Services, LLC. AES US Services, LLC maintains an independent Cost Assignment and Allocation Manual.

REGULATORY REQUIREMENTS

On November 30, 1999, the PUCO issued a Finding and Order in Case No. 99-1141-EL-ORD, in which it adopted rules that require electric utilities to maintain a cost allocation manual. These rules were further modified by the PUCO on January 20, 2000. The rules state that the cost allocation manual is intended to provide information that will be used by the PUCO to ensure that no cross-subsidization occurs between an electric utility and its affiliates. In addition, the PUCO established the principles to be followed in transactions between regulated utility operations and affiliated unregulated businesses. The PUCO’s cost allocation principles are as follows:

1. The method for charging costs and transferring assets shall be based on fully allocated costs.
2. “Fully Allocated Costs” are the sum of direct costs plus an appropriate share of indirect costs. Fully allocated costs have the same meaning as the term “fully loaded embedded costs” as that term appears in Ohio Revised Code Section 4901:1-37-08(E).
3. The costs should be traceable to the books of the applicable corporate entity.

The Dayton Power and Light Company
Cost Allocation Manual

COST ALLOCATION MANUAL (CAM) FILES

In support of regulatory requirements, DP&L will maintain various documents related to the Company's Cost Allocation Manual. The Controller of DP&L (or his or her designee) will maintain these supporting documents in one central location. Hereafter, these documents are referred to in aggregate as the Cost Allocation Manual Files (CAM Files).

UPDATING PROCEDURES

Allocation methods and bases shall be reviewed and updated at least annually to ensure allocations are representative of the overall scope and level of business activities between affiliates. Accordingly, revisions will be made to the CAM as needed. The Controller of DP&L (or his or her designee) will be responsible for updating and maintaining the CAM. Any changes will be coordinated with the affiliates of the electric utility and communicated as needed to the employees of the electric utility and affiliate businesses.

RECORD RETENTION PROCESS

DP&L and its affiliates shall maintain (in accordance with generally accepted accounting principles and the applicable uniform system of accounts) books, records, and accounts that are separate from the books, records and accounts of each other. Allocated costs shall be traceable to the books of the applicable corporate entity. The electric utility and affiliates shall maintain all underlying affiliate transaction information for a minimum of three years. Such books, accounts, and pertinent records that relate to intercompany transactions shall be readily available for audit by the Public Utilities Commission of Ohio.

DIRECTING REGULATORY QUESTIONS

DP&L designates its Senior Director of Regulatory Operations to serve as the primary contact for PUCO staff when seeking data regarding affiliate transactions, personnel transfers, and the sharing of employees and independent contractors. Such inquiries shall be sent in writing to:

The Dayton Power and Light Company
Cost Allocation Manual

Sharon Schroder,
Senior Director of Regulatory Operations
DAYTON POWER & LIGHT COMPANY
1065 Woodman Drive
Dayton, Ohio 45432

The Company will notify the PUCO of changes in contact as needed.

EFFECTIVE DATE

DP&L's Cost Allocation Manual became effective January 1, 2001, commensurate with the starting date of competitive retail electric service in Ohio.

The Dayton Power and Light Company
Cost Allocation Manual

II. COST ALLOCATION APPROACH

COST ALLOCATION PHILOSOPHY

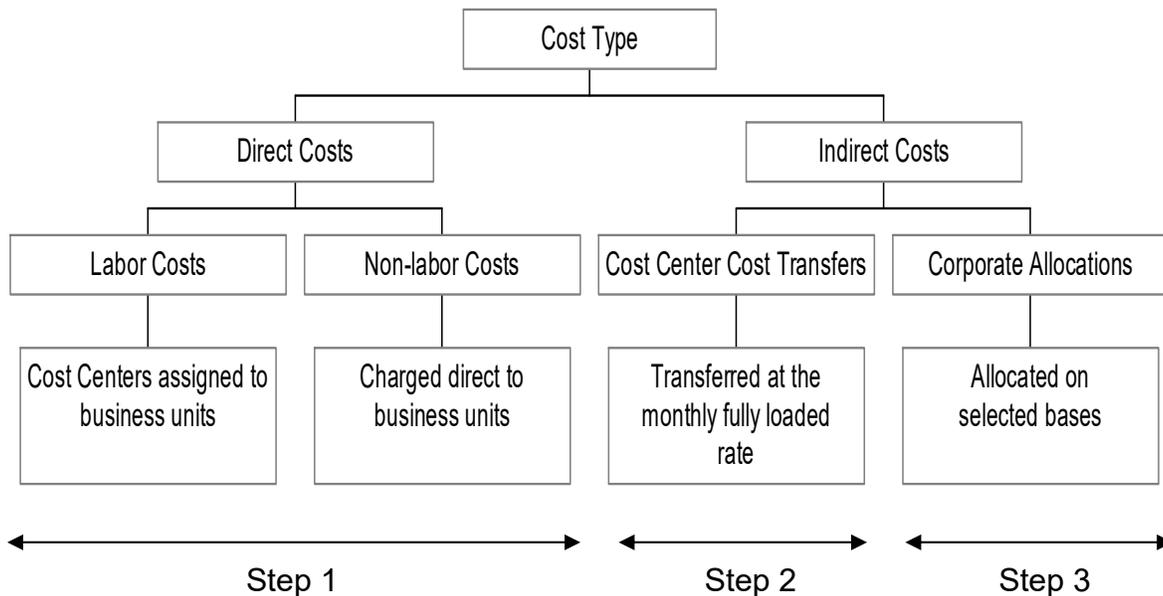
The fundamental underlying principle for DP&L's cost allocation approach is the use of a fully allocated cost methodology. A fully allocated cost methodology is premised on the concept of distributing operation and maintenance expenses among affiliates and business activities, either through direct charges or allocations, based on a consistent method of determining cost causation from period to period so that reasonable cost attribution occurs. Under a fully allocated cost methodology, all direct operation and maintenance expenses such as labor, materials, and other related expenses are included in the cost of the various business activities performed. In addition, indirect charges including benefits, payroll taxes, and other employee related expenses are included in a dynamic overhead rate to arrive at the fully allocated cost for each business activity. All resultant cost allocations for affiliates and business activities to regulated and unregulated lines of business are based on some measure of cost causation for that business activity. This overall approach to cost allocation will be followed to the extent that it does not result in incurring a cost that is uneconomical in relation to the benefits achieved.

THREE STEP PROCESS

The actual application of fully distributed cost allocations occurs through what is commonly called the "three-stage" allocation method. The "three-stage" allocation process begins with the premise that, to the maximum extent practical, all costs that can be specifically attributed to affiliates or business units are directly charged to the affiliate or business unit. Second, indirect costs that are significant in amount, but which cannot be directly charged, are transferred to affiliates or business unit's cost center with all applicable overhead dollars included. In the third stage, any remaining costs not previously assigned to an affiliate or business unit are allocated using the most appropriate basis for each corporate cost center.

The Dayton Power and Light Company Cost Allocation Manual

The following chart illustrates the general cost structure and allocation methodology used by DP&L and its affiliates for properly recording costs.



DIRECT COSTS

Charging of direct costs to affiliates can occur in two ways. For labor costs, direct charging is accomplished through time sheets (including default management timesheets) that record biweekly payroll by GL account and a cost collector which is assigned to a cost center. Cost centers are assigned to business units in the accounting system causing the direct labor to be summarized accordingly.

For material or other non-labor costs, a material requisition, invoice, or other accounting source document is coded for direct charging to the appropriate cost collector and general ledger account responsible for the transaction.

INDIRECT COSTS

For certain activities, it may be impractical to directly charge labor, materials, or other costs to an affiliate because of the lack of a practical and cost-efficient administrative means of

The Dayton Power and Light Company
Cost Allocation Manual

implementation. In those situations, the costs are either transferred based on time expended or allocated based on a selected allocation measure. In choosing a measure for use as an allocation factor, the measure should be generally representative of the relative degree of utilization of the business activity by the respective businesses. Examples could be the labor costs, revenues, number of employees, or the number of computers assigned to the respective businesses. In any situation, the objective is to achieve a proper sharing of costs.

COST CENTER COST TRANSFERS

Cost centers assigned to a business unit may provide services to another DP&L business unit or a non-regulated company within DPL Inc. Corporate cost centers may also perform services for business units or non-regulated affiliates. Cost center cost transfers are generated by the charging cost center using an appropriate cost collector in the accounting system to charge the cost center receiving the service. Expenses are transferred between business units/cost centers after all employee overheads have been applied for the month, thus resulting in the transfer of labor expenses at a fully loaded rate.

The fully loaded rate is applying the current monthly employee expenses including benefits, payroll taxes, etc. to labor hours or labor dollars as deemed appropriate. The rate reflects direct labor and indirect charges including benefits, payroll taxes, and other employee overhead costs.

CORPORATE ALLOCATIONS

Corporate allocations consist of costs incurred by corporate cost centers for activities that support the overall conduct of business but that cannot be readily assigned to specific business activities, projects, or individual business units. Corporate cost centers are established for activities such as executive management, legal, treasury and accounting. Such activities broadly benefit DP&L and its affiliates, and thus need to be allocated to DP&L and its affiliates in an equitable and uniform fashion. In each of the corporate cost centers, only the costs that remain after cost center cost transfers to affiliates are included in

The Dayton Power and Light Company
Cost Allocation Manual

corporate allocations. These operating expenses are distributed based on an allocation factor selected for each corporate cost center.

Employee fringe benefits are another example of corporate allocations. Employee fringe benefits are costs included in a corporate cost center that benefits employees across all affiliates. Fringe benefits include components for medical coverage, disability insurance, life insurance, pension plan, employee savings plan participation, and payroll taxes. Fringe benefits are considered an addition to the cost of Company labor that must be applied so that the fully allocated cost of labor is properly attributed to business activities, projects, and lines of business.

ASSET TRANSFERS

In general, assets acquired for or used by DP&L or any of its affiliate businesses will be reflected on the books of the affiliate for which the asset benefits. In certain instances, however, assets may be transferred to an affiliated unregulated business or transferred from an unregulated affiliate to the electric utility if there is a reasonable economic reason for doing so. In these instances, transfers of assets between affiliates will be recorded. Such value will be determined as of the date of transfer.

USE OF ASSETS BY AFFILIATES

In certain instances, an affiliated unregulated business may use assets of the regulated utility operations or the regulated utility operations may use assets of an unregulated affiliate. In these cases, the approach to be followed regarding cost allocation should ensure the transfer of all costs related to the use of the asset for the period it is utilized by the affiliate.

INTERCOMPANY ACCOUNTING BETWEEN AFFILIATES

Cost center cost transfers, corporate allocations and asset utilization provided by regulated utility operations to affiliated unregulated businesses are accumulated monthly in intercompany payable and receivable accounts in the general ledger. The cost allocation system produces the accounting entries for indirect costs charged to the affiliate including

The Dayton Power and Light Company
Cost Allocation Manual

fringe benefits and employee overheads. The affiliated unregulated businesses will reimburse DP&L's regulated utility operations for the indirect costs incurred. Documentation regarding specific charges to affiliates should be maintained by the respective departments to address any question that may arise regarding the cost transfer. Similarly, charges for service and asset transfers provided by an unregulated affiliate to a regulated affiliate will also be accumulated monthly and charged accordingly. Charges for asset utilization to unregulated affiliates will be billed periodically using market-based rates.

The Dayton Power and Light Company
Cost Allocation Manual

III. COST ALLOCATION PROCEDURES USED FOR AFFILIATE TRANSACTIONS

OVERVIEW

Included in this section of the Cost Allocation Manual are the individual summaries by functional cost centers of the services provided between DP&L and its affiliates. The current list of affiliates is contained in Appendix A of this Cost Allocation Manual.

Each summary contains the service provided, a description of each service, an indication whether the service will be utilized by each affiliate, and a description of the cost allocation procedures that will be followed for allocating costs to affiliates. These summaries of services will be reviewed at least annually and updated as needed.

In the event that services not contained in the following summaries are provided to affiliates, the Controller of the Dayton Power and Light Company should be consulted for the appropriate guidelines. Any additions or changes to allocations as a result of these consultations shall be reflected in this Cost Allocation Manual.

ALLOCATION BASES

The following descriptions are to be used within the CAM for defining the specific cost allocation methodology for each service:

COST CENTER COST TRANSFERS

Cost center cost transfers represents the value assigned to services performed directly by company cost centers for affiliates. This cost is applied to the affiliates as indicated below:

Fully Loaded Rate

Labor hours and dollars are reported separately and charged to the appropriate affiliate through specific cost collectors. These separately reported labor hours and dollars are then loaded with the applicable percentage of the employee overhead cost centers based on the

The Dayton Power and Light Company
Cost Allocation Manual

labor hours/dollars as a percentage of total labor hours/dollars. This is a dynamic rate and is based on current month overhead related expenses.

CORPORATE ALLOCATIONS

Corporate allocations are used for activities which are impractical to directly charge costs to the affiliates. Costs are accumulated by cost center and allocated on the basis of the most appropriate allocation measure. The measure expressed as a percentage is generally representative of the relative estimated degree of utilization of the business activity by the respective affiliate based on historical experience. Corporate allocations are applied to affiliates based on the following methodologies:

Labor Hours

An employee benefits loading factor is applied to actual labor hours incurred and is calculated monthly based on actual benefits (including health care, dental care, life insurance, long-term disability, pension plans, and savings plans) divided by total actual labor hours.

Labor Dollars

An employee benefits loading factor is applied to actual labor dollars incurred and is calculated monthly based on actual employee overheads (including payroll taxes, accrued bonus, accrued payroll, and accrued paid-time-off) divided by total actual labor dollars.

Employee Head Count

Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual employee headcount. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

Network Users

Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual network connected workstations.

The Dayton Power and Light Company
Cost Allocation Manual

Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

Gross Property, Plant, and Equipment

Costs are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual cost of property, plant, and equipment. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

Use of DP&L Facilities by Affiliates

To the extent that facilities are shared between affiliates, the cost for operating and maintaining the facilities is allocated based on the square footage of the facility occupied by the affiliate. The square footage rate is based upon the higher of cost or local market rates for similar facilities and includes costs such as operations, maintenance, depreciation, property taxes and return on investment. Details of each relative facility and the current application rates are contained in the CAM Rates Manual located in the CAM files.

Composite Factor

Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

Department Analysis

Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the time spent by various department members on each affiliate's business. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY320OBO COST CENTER TITLE: Benefits – O&M

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

This cost center collects overhead expenses related to the Company's employee benefit package including health care, dental care, life insurance, long term disability, etc. A portion of this cost center is capitalized at a set percentage monthly. The percentage to be capitalized is determined by an annual study.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | Yes | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Labor Hours: An employee benefits loading factor is applied to actual labor hours incurred and is calculated monthly based on actual benefits (including health care, dental care, life insurance, long-term disability, pension plans, and savings plans) divided by total actual labor hours.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY324OBO COST CENTER TITLE: EMPLOYEE OVERHEADS–DOLLARS-O&M

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

This cost center collects overhead expenses related to the Company's people expenses including accrued bonuses, long term compensation, 401K match, payroll and paid time off accruals, etc. A portion of this cost center is capitalized at a set percentage monthly. The percentage to be capitalized is determined by an annual study.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|------------------------------|--------------------------------|-------------------------------|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | Yes | |
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Labor Dollars: An employee benefits loading factor is applied to actual labor dollars incurred and is calculated monthly based on actual employee overheads (including payroll taxes, accrued bonus, accrued payroll, and accrued paid-time-off) divided by total actual labor dollars.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY324OPO COST CENTER TITLE: PENSION O&M OVERHEAD

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

This cost center collects expenses related to the Company's pension plan and post retirement expenses. A portion of this cost center is capitalized at a set percentage monthly. The percentage to be capitalized is determined by an annual study.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|----------------------------|--------------------------------|--|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | Yes | |

| | | | |
|----------------------------|------------------------------|----------------------------|-------------------------------|
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Labor Hours: A pension loading factor is applied to actual labor hours incurred and is calculated monthly based on actual benefits (including health care, dental care, life insurance, long-term disability, pension plans, and savings plans) divided by total actual labor hours.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY328OPO COST CENTER TITLE: Payroll Taxes – O&M

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

This cost center collects employee related payroll taxes including FICA, Medicare, and state and federal unemployment taxes. A portion of this cost center is capitalized at a set percentage monthly. The percentage to be capitalized is determined by an annual study.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|----------------------------|--------------------------------|--|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | Yes | |

| | | | |
|----------------------------|------------------------------|----------------------------|-------------------------------|
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Labor Dollars: A payroll tax loading factor is applied to actual labor dollars incurred and is calculated monthly based on actual employee overheads (including payroll taxes, accrued bonus, accrued payroll, and accrued paid-time-off) divided by total actual labor dollars.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY101260 COST CENTER TITLE: MacGregor Park Building

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for managing all contracts necessary to operate and to maintain office facilities and grounds.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|------------------------------|--------------------------------|-------------------------------|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | No | |
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| No | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Use of DP&L Facilities by Affiliates: To the extent that facilities are shared between affiliates, the cost for operating and maintaining the facilities is allocated based on the square footage of the facility occupied by the affiliate. The square footage rate is based upon the local market rates for similar facilities and includes costs such as operations, maintenance, depreciation, property taxes and return on investment. Details of each relative facility and the current application rates are contained in the CAM Rates Manual located in the CAM files.

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY109510 COST CENTER TITLE: Physical Security

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

. Physical Security is responsible for physical security activities, contract security (guard service selection and training), security incident response plans, risk assessments, threat intelligence and analysis activities, auditing activities and automation management and strategic security developments for DP&L. Responsible for internal and external physical policy and procedures to meet the requirements for the FERC/NERC Critical Infrastructure Protection (CIP) Standards as well as various federal and industry (SOX and PCI) compliance requirements. The cost center coordinates internal and external investigations and maintains liaison with local, state and federal law enforcement agencies. The cost center is responsible for developing and administering security and compliance training and awareness programs.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets.

The Dayton Power and Light Company
Cost Allocation Manual

Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY109530 COST CENTER TITLE CIP Compliance

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

CIP Compliance is responsible for physical security assessments and management activities, cyber security activities, security incident response plans, risk assessments, threat intelligence and analysis activities, compliance activities and strategic security developments at DP&L. Responsible for internal and external cyber and physical policies, plans, and procedures to meet the requirements for the North American Electricity Reliability (NERC) Critical Infrastructure Protection (CIP) Standards as well as various federal and industry (SOX and PCI) compliance requirements. The cost center coordinates internal and external investigations and maintains liaison with local, state and federal law enforcement agencies. The cost center is responsible for developing and administering security and compliance training and awareness programs.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| No | Yes | Yes | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets.

The Dayton Power and Light Company
Cost Allocation Manual

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The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY301000 COST CENTER TITLE: US SBU Leader

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Represents the functions of Executive Officers and associated support staff that serve DP&L and its affiliates.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|------------------------------|--------------------------------|-------------------------------|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | Yes | |
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY302202 COST CENTER TITLE: Accounts Payable

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Performs the central processing of accounts payable invoices and disbursements and other related accounts payable functions such as the annual 1099 processing for DP&L and its affiliates. Performs other clerical accounting functions for various affiliates.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|----------------------------|--------------------------------|--|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | No | |

| | | | |
|----------------------------|------------------------------|----------------------------|-------------------------------|
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY302212 COST CENTER TITLE: Controller

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Controller cost center is responsible for the safe guarding of Company assets and the proper accounting of the business activities of the US SBU Companies in accordance with Generally Accepted Accounting Principles (GAAP), FERC Uniform System of Accounts, and the state rules of Indiana and Ohio. The Controller cost center also ensures that the Sarbanes-Oxley (SOX) controls, SBU-wide policies and narratives/process flows are being fully maintained. The cost center is also responsible for much of the reporting that is performed within Finance. Cost centers under the Controller's responsibility include Technical Accounting, Financial Reporting, Regulatory Accounting, Fixed Assets, Accounts Payable, Operational Accounting, Revenue Accounting, and General Accounting.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | Yes | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY302237 COST CENTER TITLE: D&O Pre-acquisition Costs

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Represents costs related to Directors & Officers prior to the acquisition by AES. This includes costs associated with Deferred Compensation (dividends, gains, losses, and mark-to-market adjustments) for directors and executives.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | Yes | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| No | No | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Board of Directors Effort: This allocation factor is based upon an analysis of the effort spent by the Board of Directors managing DPL INC. and DP&L business as reflected in the 2009-2011 Board of Directors minutes. The Corporate Controller reviewed these minutes to determine the split between DPL INC. and DP&L. Details of the current application rate calculations are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY302272 COST CENTER TITLE: Treasury

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for financing activity in debt and equity capital markets, shareholder account administration and interaction with stock and bond transfer agents. Oversees interest and dividend payments, special corporate projects (such as registration statements and financial presentations for the Board of Directors), and other company credit commitments.

Responsible for the cash management functions of the Company including affiliates, and the analysis and recommendation of investment opportunities. Oversees daily short-term cash investing and/or short-term borrowing for DPL and its affiliates. Responsible for negotiating borrowing and other agreements with financial institutions to ensure low-cost funds are available and utilized. Maintains custody of Company funds with responsibility for allocation of cash balances, day-to-day relationships with banks, and for such related activities as loans, investments, and disbursements. Manages wire transfer operations, deposit and disbursement accounts

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | Yes | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets.

The Dayton Power and Light Company
Cost Allocation Manual

Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY302297 COST CENTER TITLE: Tax Accounting

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for setting corporate tax policy. Prepares tax returns and related reports to ensure compliance with all federal, state, and local tax statutes and regulations by properly interpreting tax laws and regulations to minimize tax liability. Participates in planning the Company's activities in all phases of its operations to minimize tax costs. Organizes and supervises tax research and tax compliance activities.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|----------------------------|--------------------------------|--|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | Yes | |

| | | | |
|----------------------------|------------------------------|----------------------------|-------------------------------|
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY304220 COST CENTER TITLE: IT Enterprise Applications

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for supporting enterprise software client/server systems, web development (Supplier Web Portal and Customer Web Portal), and data base administration for a variety of Enterprise and T&D applications. Manage software licensing, database licensing (including licenses for database diagnostics and tuning tools), system upgrades, and technical support to the system users. Controls policies and procedures, technical standards and methods, and system upgrade priorities. Communicates system changes. Responsible for supporting interfaces and integration between a variety of Enterprise and T&D applications with third-party vendors.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Network Users: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual network connected workstations. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY304225 COST CENTER TITLE: IT Collaboration Services

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for supporting all PCs including the purchase, configuration and deployment of all laptops and desktops, and all associated software that is installed. Activities include workstation configurations, packaging of all software, Service Desk support, cellular management, account administration, and printing services. Responsible for ensuring systems meet security requirements including encryption and antivirus standards. Responsible for inventory and compliance of hardware assets and software licensing. IT communications are managed through the Collaboration Team.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Network Users: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual network connected workstations. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY304230 COST CENTER TITLE: IT Infrastructure

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for support and maintenance of the server, storage, and backup infrastructure. Provides technical support for the mainframe environment, including operating system, third party software, data storage, backup, security, report management and automated scheduling. Communicates mainframe environment changes.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|------------------------------|--------------------------------|-------------------------------|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | No | |
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Network Users: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual network connected workstations. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY304255 COST CENTER TITLE: IT Networks

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for supporting the enterprise IT Data and Voice/Telecommunications Networks which include the equipment, services and data associated with our Local Area Networks (within buildings) Metropolitan Area Networks (between buildings in a town or city), Wide Area Networks (between towns, cities, and states) and Internet access. The data that traverses these networks includes information from all business-critical applications as well as voice, and video services.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|----------------------------|--------------------------------|--|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | No | |

| | | | |
|----------------------------|------------------------------|----------------------------|-------------------------------|
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Network Users: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual network connected workstations. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY304270 COST CENTER TITLE: IT T&D Applications

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for systems that support Transmission & Distribution operational activities. This includes Customer Information Systems (CIS), Geographic Information Systems (GIS), Outage Management Systems (OMS), Metering Systems, and Call Center technology. Activities include system support & administration, system upgrades, and technical support to the system users. Controls policies and procedures, technical standards and methods, and system upgrade priorities. Communicates system changes. Provides information technology support, primarily for the real-time control centers in the Company. The staff designs, codes and installs software applications that support real-time operations of metering, GIS, CIS, OMS and Call Center systems. Specific systems within the scope of this area include ESRI, StakeOut, IPS, CSS, FCS, MV90, and MOM. Support of affiliated interfaces is also a responsibility of this area. Testing of installed or modified systems is also part of this responsibility.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Network Users: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual network connected workstations. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY304510 COST CENTER TITLE IT Digital Customer Experience

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Digital Customer Experience team is responsible for the transformation and deployment of front-line customer-facing initiatives, engagement strategies and customer experience to ensure successful product delivery. The goal is to meet customer demand and spur digital engagement via multi-channel strategies crossing all digital communications methodologies – SMS/mobile, email, web and social channels. Connect with groups throughout the company to understand all CX initiatives and solution, break down siloes, leverage existing platforms when possible, and implement scalable solutions for US SBU.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| No | No | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Total Retail Revenue

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY305100 COST CENTER TITLE: Legal

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for providing legal assistance, counsel, and advice on the activities of the Company and its affiliates to ensure maximum protection of corporate legal rights. Keeps abreast of legislative and administrative regulatory developments, particularly as they affect the operation of the Company and its affiliates. Handles or directs suits or claims against the Company and its affiliates. Also, handles or directs proceedings in suits, claims, or appeals brought by the Company and its affiliates. Provides counsel in regulatory and environmental activities. Supervises filings, reports, and statements of a legal nature. Legal is also involved with financings, tax, corporate governance, bankruptcy, contract and lease drafting, negotiation and review, SEC and mortgage administration.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | Yes | Yes | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY305215 COST CENTER TITLE: Regulatory Affairs

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for all State and Federal issues that impact rates and standard service offer terms and conditions. Ensures compliance with PUCO and FERC rules, regulations, and reporting. Establishes and supports rates and tariffs. Obtains PUCO approval of new products, rates, services, programs and compliance plans. Acts as Company liaison for regulators. Evaluates potential legislative or regulatory initiatives that may impact rates, regulation, or retail market structures.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Department Analysis: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the time spent by various department members on each affiliate's business. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY306100 COST CENTER TITLE: Local HR

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Local Human Resources manages the following functions for the US SBU: talent acquisition for salary and hourly employees, testing, diversity, compliance, reporting and hiring. Local Human Resources also include the verification of potential employee references and background checks, file creation and retention. The cost center coordinates both the college intern and co-op programs and facilitates contingent employee recruitment and placement.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|------------------------------|--------------------------------|-------------------------------|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | No | |
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Employee Head Count: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual employee headcount. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY306210 COST CENTER TITLE: Talent COE

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Talent COE is responsible for talent management functions of the Company. The cost center's responsibilities include the development, coordination, and facilitation of workforce planning processes, people development strategies, change management and leadership development programs and overall coordination of talent management.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|------------------------------|--------------------------------|-------------------------------|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | No | |
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Employee Head Count: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual employee headcount. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY306230 COST CENTER TITLE: Payroll

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for processing and issuing bi-weekly payroll. Issues payroll reports and Form W-2's.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|------------------------------|--------------------------------|-------------------------------|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | No | |
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Employee Head Count: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual employee headcount. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY306240 COST CENTER TITLE: Total Rewards

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Total Rewards COE designs, develops, implements, administers, and communicates the Company's Total Rewards programs including health, welfare, wellness, retirement, base pay, incentives and other rewards. The cost center, in conjunction with AES global HR Total Rewards develops and executes the total rewards philosophy and supporting policies and practices. The cost center analyzes current programs to ensure they align with the business strategy. The cost center evaluates the market competitiveness and cost-effectiveness of compensation and benefit plans to ensure they optimize the ability to attract and retain top talent.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

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|-------------------------------------|----------------------------|--------------------------------|--|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | Yes | No | |

| | | | |
|----------------------------|------------------------------|----------------------------|-------------------------------|
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Employee Head Count: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual employee headcount. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY308515 COST CENTER TITLE: Insurance

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Develops, recommends, and administers risk management and loss prevention programs to maintain maximum protection of the Company's and its affiliates' assets at the most economical rates. Investigates and reports on accidents involving Company property, services, or products, with resultant coordination between insurance companies and attorneys. Reviews and analyzes data and devises risk minimization programs.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|-------------------------------------|----------------------------|--------------------------------|--|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | Yes | |

| | | | |
|----------------------------|------------------------------|----------------------------|-------------------------------|
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY309000 COST CENTER TITLE: Community Relations

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Develops and administers a community relations program which promotes positive company relationships and provides support to the communities served by DP&L. Responsible for corporate contributions to educational, community, and other non-profit organizations throughout the 24-county region and the southern Ohio area. Coordinates community events and projects with employees and community leaders. Maintains memberships and subscriptions in community and trade organizations. Coordinates employee charitable giving campaigns and other employee community relationships and projects.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY309115 COST CENTER TITLE: Government Affairs

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Develop and maintain relationships with elected officials at the state (Ohio) and federal (Washington D.C.) level. Advocate positions, issues and their impact on DPL and the utility industry. Provide unique and timely information on key legislation that impact the utility industry. Lobby for key legislation favorable to our customers and company. Represent DPL at various legislative hearings on utility legislation and testify when appropriate. Participate and maintain membership in organizations that promote the utility industry. Manage DPL's Political Action Committee.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| | | | |
|---|--------------------------------------|--|---------------------------------------|
| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
| Yes | No | Yes | |
| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
| No | No | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Department Analysis: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the time spent by various department members on each affiliate's business. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY310000 COST CENTER TITLE: Communications

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for all external and internal communications for DPL Inc. and all subsidiaries. Carries through to completion specific assignments in customer and employee communication, as well as goodwill and community activities. Plans, prepares, and disseminates information about the company through advertising and PR efforts via various media, including the Internet and social media. The company now has a total of three websites. Performs assignments in specialized areas of communications and public relations such as news media relations, advertising, sponsorships, and various customer communications such as bill inserts, and e-mail efforts. AES also assigns the team communication deliverables and requests to fulfill.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| No | Yes | No | No |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Employee Head Count: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's percentage of the total actual employee headcount. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.

The Dayton Power and Light Company
Cost Allocation Manual

COST CENTER DESCRIPTION

COST CENTER IDENTIFICATION

COST CENTER USDY321001 COST CENTER TITLE Business Resilience

COST CENTER OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Business Resilience is responsible for creating systems of prevention and recovery to allow organizations across DP&L to rapidly adapt and respond to business disruptions, safeguard people and assets, while maintaining continuity of operations. The cost center is responsible for business continuity and emergency management policy and procedures to meet the requirements for various federal (FERC/NERC, Presidential Directives 63 & 13010, and FEMA) and industry (OSHA and ISO) compliance requirements. The cost center coordinates internal and external audits and maintains liaison with local, state, federal and industry agencies. The cost center is responsible for developing and administering business continuity and emergency preparedness training and awareness programs.

USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

| Dayton Power & Light Co. | AES Ohio Generation | DPL Inc. (Holding Corp) | |
|--------------------------|---------------------|-------------------------|--|
| Yes | No | No | |

| Diamond Development | Miami Valley Lighting | MacGregor Park Inc. | Miami Valley Insurance |
|---------------------|-----------------------|---------------------|------------------------|
| Yes | Yes | Yes | Yes |

BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Composite Factor: Labor and other costs, including overheads, are accumulated and charged to the appropriate affiliate based on the affiliate's respective composite allocation factor that is predicated on the affiliate's mix of actual payroll, gross revenue, and net property assets in relationship to total actual payroll, gross revenue, and net property assets. Details of the current application rate calculation are contained in the CAM Rates Manual located in the CAM Files.