

**The Dayton Power and Light Company d/b/a AES OHIO**  
**2024 ATRR**  
**(October 2, 2023)**

**To: Interested Parties (as defined in Section 1.i. of the Formula Rate Implementation Protocols)**

**2024 Projection**

In accordance with Section 3.c. of its Formula Rate Implementation Protocols, The Dayton Power and Light Company d/b/a AES Ohio (“AES Ohio”) is requesting PJM to post to its website ([www.pjm.com](http://www.pjm.com)) AES Ohio’s Annual Update, as described below. As a high-level summary, after true-up credits plus interest and corrections, the Projected 2024 Annual Transmission Revenue requirement (“ATRR”) for the Dayton Zone is \$105,611,813, which reflects expected substantial progress during 2023 and 2024 in competing projects and putting them into service as well as continued progress on projects under construction with the CWIP Incentive. AES Ohio asks PJM to post:

- (i) AES Ohio’s Projected 2024 ATRR and rate for Network Integrated Transmission Service (“NITS”) in Excel, based on applying its projected costs, revenues and credits, for the calendar year 2024 and including the Annual True-up Adjustment for 2022 (“2022 ATU”) and a correction to 2020 and 2021 related to accumulated deferred income taxes (“ADIT Correction”). The Projected 2024 ATRR for NITS, including the 2022 ATU and the ADIT Corrections is \$105,611,813 while the Projected 2024 ATRR for the Marysville Substation and Line Reconductoring Project, including the 2022 ATU and 2021 ADIT Correction, which Project is allocated to the Dayton Zone and the ATSI Zone pursuant to Schedule 12 of the PJM Open Access Transmission Tariff, is \$2,253,664 (in addition, there is a 2020 ADIT Correction in the amount of \$2,383, which is solely to be allocated to the ATSI Zone portion). Pursuant to Paragraph 3.k., AES Ohio will update prior to December 15 the Network Service Peak Load of the Dayton Zone used to determine AES Ohio’s NITS rate for 2024, consistent with its Protocols.
- (ii) A worksheet in Excel providing the summary quantification of the ADIT Correction for 2020 and 2021 included in the 2024 Annual Update, as more fully described below.
- (iii) Revised AES Ohio Actual 2020 and 2021 ATRR calculations in Excel containing the ADIT Correction.
- (iv) The Stakeholder presentation which contains information on transmission projects with a value of more than \$5.0 M expected to be added to plant in service during 2023 and 2024. This presentation will be used during the Stakeholder meeting scheduled for October 18, 2023 at 10 AM.

The ADIT Correction for 2020 and 2021 reflects that the beginning balance of Account 282 Liberalized Depreciation was included twice. The Account 282 Liberalized Depreciation proration amount includes the beginning balance while AES Ohio also inadvertently included the beginning balance in Tab 1-C Prior Year ADIT, resulting in

AES Ohio including the beginning balance Account 282 Liberalized Depreciation in its average rate base calculation in 2020 and 2021 twice. The ADIT Correction removes the beginning balance from Tab 1-C.

Note that AES Ohio, on Line 169 of Appendix A of the 2024 projected formula rate, subtracted the 2022 ATU for the Marysville Substation and Line Reconductoring Project, excluding interest, and not the amount including interest, as indicated by the formula. It would not be appropriate to include interest in the amount subtracted as the interest is not contained in the ATRR value on Line 165. In addition, AES Ohio adjusted the sum in Line 171 to include the Correction amount in Line 167. In addition, AES Ohio has added information on Tab 7B – Schedule 12 Projects to allocate the ADIT Correction properly to the Marysville Reconductor and Substation Project and to Tab 11 – Corrections to sum the ADIT Correction for 2020 and 2021 for use in other parts of the Formula Rate.

Regarding the above items, the following Excel files have been posted along with this document on [www.pjm.com](http://www.pjm.com):

1. Attachment A 2024 Formula Rate Projection - Excel
2. Attachment B Summary of ADIT Correction - Excel;
3. Attachment C 2020 Revised Actual Annual Transmission Revenue Requirement – Excel;
4. Attachment D 2021 Revised Actual Annual Transmission Revenue Requirement – Excel; and
5. Attachment E Stakeholder Presentation.