



AES Ohio

Transmission Formula Rate
Stakeholder Meeting
October 18, 2023

Agenda

- 2022 Annual True-Up (ATU)
- 2024 Projected Annual Transmission Revenue Requirement (ATRR)
- List of Transmission Plant Additions Exceeding \$5 million
- PJM NITS Rate Comparisons
- Corrections to ADIT in 2020 and 2021
- Stakeholder Review Process Timeline

2022 Actual ATRR Versus 2022 Projected ATRR - \$ in Millions



Item	Actual 2022 ATRR	Projected 2022 ATRR	Difference	Explanation
Net Plant in Service	\$297.8	\$351.5	\$ (53.7)	Slower project completions
CWIP	55.2	9.8	45.4	Slower project completions
ADIT	(67.4)	(88.1)	20.7	Actual ADIT lower due to slower project completions and overstatement in projections
Other Items	2.2	0.1	2.8	Higher prepayments and M&S
Total Rate Base	287.8	272.6	15.2	
O&M and A&G	16.7	16.6	0.1	
Depreciation	11.3	12.7	(1.4)	Slower project completions
Other Taxes	14.2	18.6	(4.4)	Based upon 12/31/21 plant. Slower project completions prior to 2022.
Return	21.3	20.3	1.0	Higher rate base
Income Taxes	0.8	0.8	0.0	
Revenue Credits and Schedule 12 Allocated Project	(6.2)	(7.4)	1.2	Schedule 12 project lower by \$0.8 M. Revenue credits lower by \$0.3 M
ATRR – Dayton Zone	58.2	61.7	(3.5)	ATU to be included with 2024 Rates plus interest

2024 Projected ATRR Versus 2023 Projected ATRR - \$ in Millions

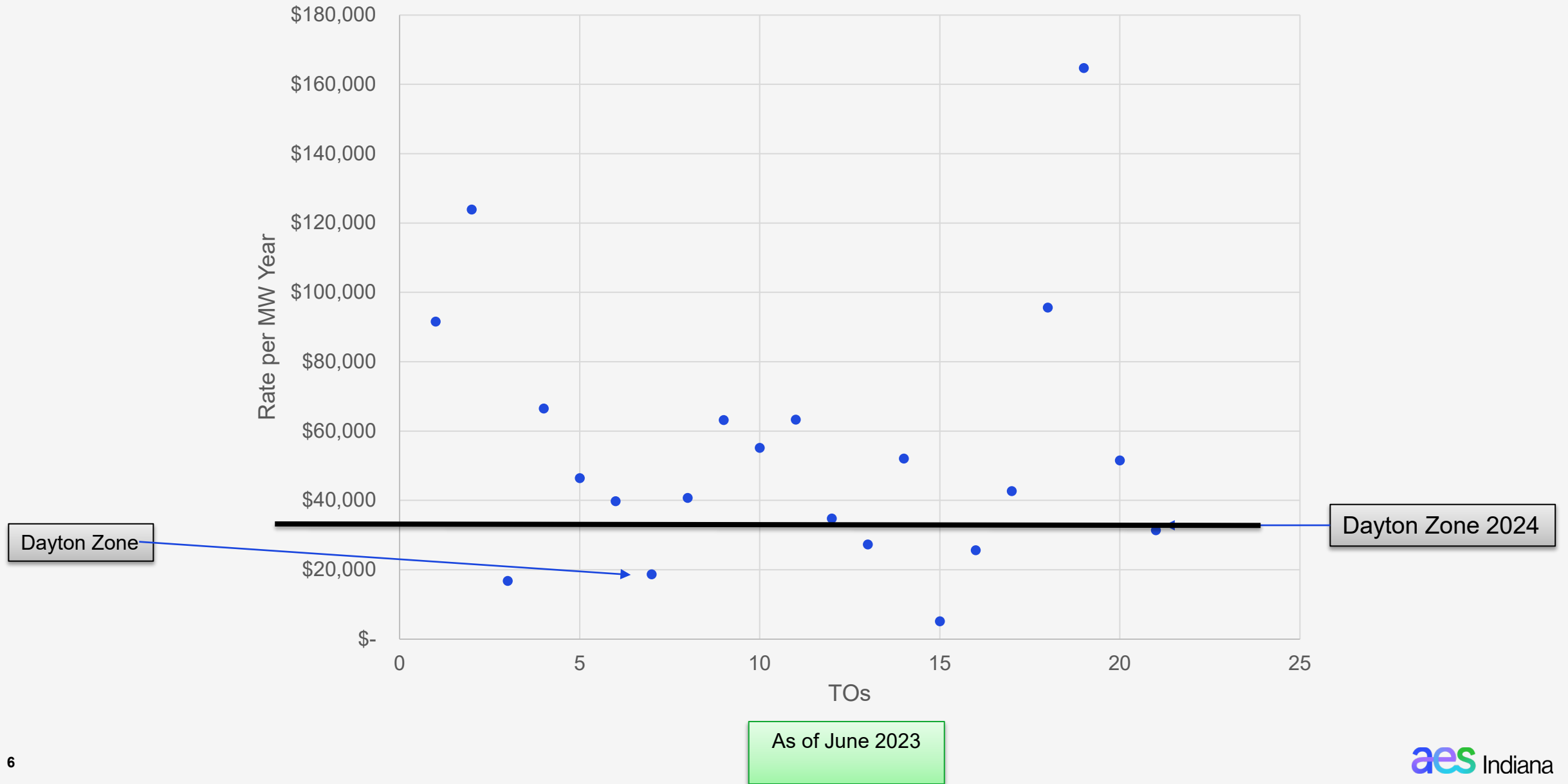


Item	2024 Projected ATRR	2023 Projected ATRR	Difference	Explanation
Net Plant in Service	\$539.7	\$367.8	\$171.9	Projects going into service during 2023 and 2024
CWIP	91.4	34.6	56.8	Execution of capital plan
ADIT	(68.1)	(82.2)	14.1	Overstatement in 2023 which has been corrected with projected 2024 ATRR
Other Items	2.3	0.2	2.1	Higher prepayments and materials and supplies
Total Rate Base	565.3	320.4	244.9	
O&M and A&G	21.7	19.5	2.2	2024: Projection. 2023: Projection
Depreciation	15.9	13.1	2.8	Projects going into service
Other Taxes	29.9	22.4	7.5	Property taxes in 2024 based upon 12/31/2023 plant in service which reflects projects going into service during 2023
Return	41.9	23.4	18.5	Higher rate base
Income Taxes	5.1	1.2	3.9	Higher rate base
Revenue Credits, and Schedule 12 Allocated Project	(6.3)	(7.4)	1.2	Lower Schedule 12 project revenue requirement
Total Before ATU and Corrections	108.2	72.2	36.1	
2022 ATU and Corrections	(2.6)	(10.2)	7.6	2024: NITS ATU of \$(4.1) M. Correction of \$1.4 M. 2023: NITS ATU of \$(10.2) M.
ATRR – Dayton Zone	105.6	62.0	43.7	

Transmission Operating Property Additions in 2023 and 2024 (Actual and Projected) Exceeding \$5 Million

Project Name	Investment	Construction Start	In-Service
Sugarcreek to Normandy Line	\$11.9 M	June 2021	April 2023
Greene Substation Expansion	\$15.3 M	November 2021	June 2024
Urbana to St. Paris Line	\$18.0 M	January 2023	June 2024
Fayette Substation	\$31.6 M	June 2022	August 2024
Madison-Fayette 345 kV Line	\$51.8 M	June 2022	August 2024
New Madison Substation 345 kV	\$22.1 M	June 2021	December 2024
New Madison to S. Charleston 69 kV line	\$10.8 M	June 2021	December 2024
Sidney to Franklin Line	\$9.1 M	June 2022	December 2024
New Honda Substation and 69 kV Line	\$7.1 M	March 2023	December 2024

PJM TO NITS Rates



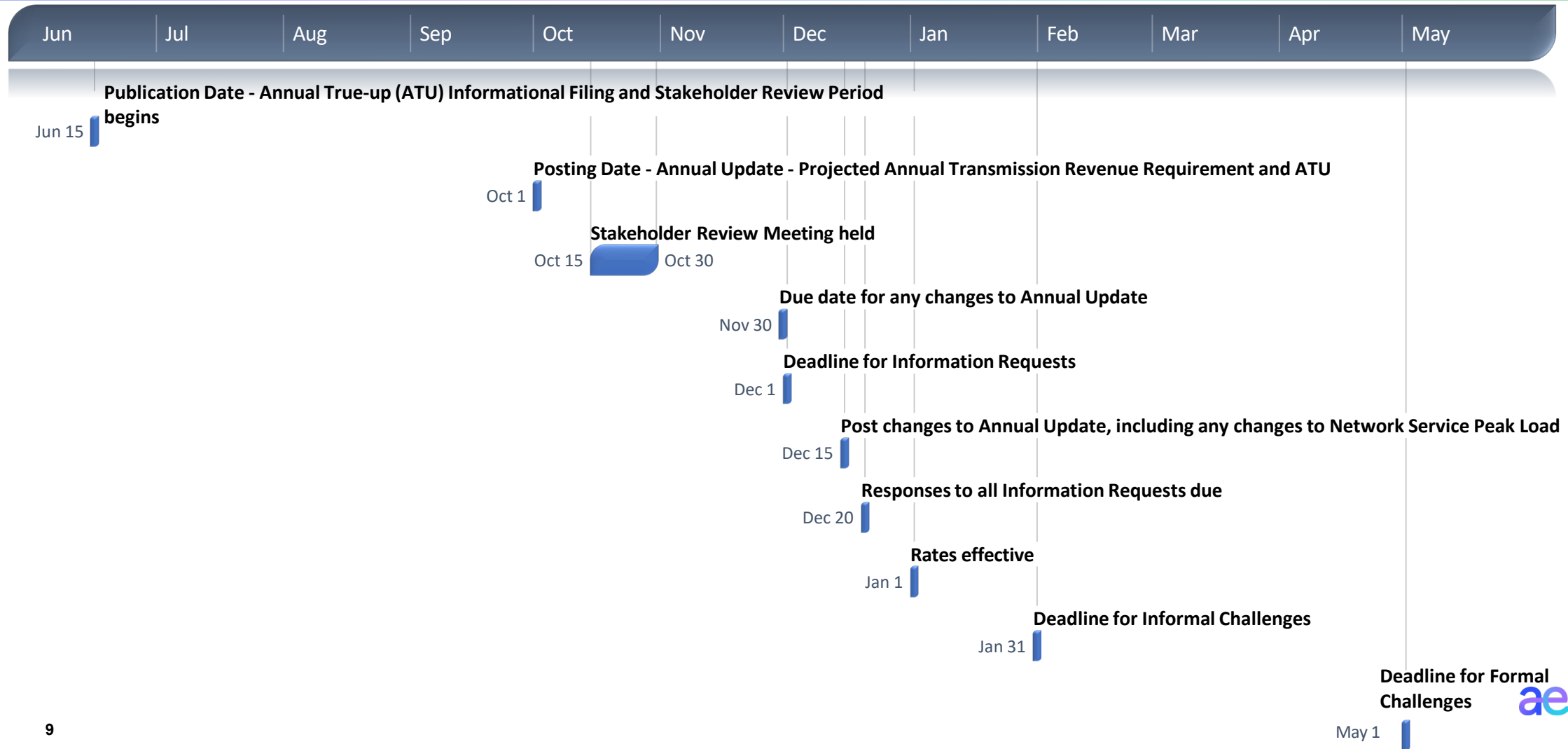
Corrections to 2020 and 2021 Actual ATRRs for ADIT Overstatement

- For the actual ATRR for 2020 and 2021, AES Ohio included prorated ADIT balances for Account 282, Liberalized Depreciation, in accordance with IRS regulations. The balance included the prior year ending balance and a proration of the current year additions to ADIT and is the correct balance to use for adjusting rate base.
 - AES Ohio also included the prior year ending balance of Account 282, Liberalized Depreciation. As a result, the current year's average Account 282 Liberalized Depreciation included the prior year's ending balance twice. This overstated the ADIT balances.
- The total impact to the 2020 and 2021 ATRR is \$1,254,978. A portion, with interest, will be included in NITS rates and the other portion, with interest, will be included in the Schedule 12 project revenue requirement during 2024. See Tab 11 of the formula rate.

Corrections to 2020 and 2021 Actual ATRRs

The Dayton Power and Light Company								
Transmission Formula Rate								
ADIT Correction								
6-Jun-23								
				May 3 through December 31, 2020 - 9.85% ROE		2021 - 9.85% ROE		Total
NITS								
1	Actual ATRR - Included with June 2021 Informational Filing	2020/2021 Actual ATRR		\$ 42,432,002		\$ 47,857,326		
2	Revised June 2023 to Correct for ADIT	With Corrected ADIT		<u>43,440,647</u>		<u>48,402,600</u>		
3	Difference	Line 2 - Line 1		1,008,645		545,274		
4	Proration Factor - Number of Days			<u>66.58%</u>		<u>100.00%</u>		
5	Difference Due to ADIT Correction	Line 3 * Line 4		<u>\$ 671,509</u>		<u>\$ 545,274</u>		<u>\$ 1,216,783</u>
Schedule 12 Project - Portion Allocated to ATSI Zone								
6	Actual ATRR - Included with June 2021 Informational Filing	2020/2021 Actual ATRR		\$ 104,622		\$ 2,695,151		
7	Revised June 2023 to Correct for ADIT	With Corrected ADIT		<u>107,581</u>		<u>2,731,376</u>		
8	Difference Due to ADIT Correction	Line 7 - Line 6		<u>\$ 2,959</u>		<u>\$ 36,225</u>		
9	Proration Factor - Number of Days			<u>66.58%</u>		<u>100.00%</u>		
10	Difference Due to ADIT Correction	Line 8 * Line 9		<u>\$ 1,970</u>		<u>\$ 36,225</u>		<u>\$ 38,195</u>
				ATSI Share Only		100%		
	Total Corrections							<u>\$ 1,254,978</u>

The Dayton Power and Light Company Annual Transmission Formula Rate Process



Questions