

P.U.C.O. No. 17
ELECTRIC DISTRIBUTION SERVICE
PARTNERS IN BUSINESS PLUS INCENTIVE RIDER

THIS TARIFF IS IN THE PROCESS OF ELIMINATION AND IS WITHDRAWN EXCEPT FOR THE PRESENT INSTALLATIONS OF CUSTOMERS WHO RECEIVED SERVICE HEREUNDER PRIOR TO MAY 31, 1999 AND WILL NOT BE APPLICABLE TO ADDITIONAL CUSTOMERS.

APPLICABLE:

Available to any Customer who executed a Service Agreement under this rider between June 1, 1997 and May 31, 1999. This Service Agreement established the employment, investment, and billing levels on which all incentives provided under this rider were based.

AVAILABLE INCENTIVES:

In order to promote the efficient expansion and overall competitiveness of business and government customers within West Central Ohio, the Company created the Partners In Business PLUS Incentive Program ("Program"). This Program will provide monetary incentives to a qualifying Customer through a "credit account". Customers which have executed a Service Agreement and met one of the following two requirements: 1) increase employment by five (5) new full-time jobs, or 2) invest at least one hundred and fifty thousand dollars (\$150,000) in capital equipment, receive credits. The capital equipment must improve Customer's efficiency and productivity of its processes. The employment level will be determined based on Customer's increased employment compared to a historical "base" level of employment established upon the execution of the Service Agreement. The level of increased employment will be reviewed semiannually.

All incentives will be placed into Customer's "credit account" on a monthly basis. Once a "credit account" is established, Customer may use the available funds for payment for an energy efficient upgrade, workforce training, productivity assessment, capital equipment, new product development, or DP&L products or services that meet the qualification requirements detailed herein. Projects that meet these requirements will be approved by the Company on an individual basis.

Energy Efficiency:

Qualifying Projects:

An energy efficient project that meets the qualifications of any existing Company or affiliate demand-side management program offered to business and government customers; or

Filed pursuant to the Opinion and Order in Case No. 99-1687-EL-ETP dated September 21, 2000 of the Public Utilities Commission of Ohio.

Issued November 2, 2000

Effective January 1, 2001

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Any other energy efficient project not included in an existing Company demand-side management program, provided the individual project meets the energy efficiency guidelines established by the Company, or its affiliate.

Incentives for an energy efficient project will be determined based on one-half (1/2) of the total cost of the project, excluding labor. If the project meets the qualifications of an existing Company or affiliate demand-side management program, the incentive may act as a supplemental rebate to any cost already covered by the demand-side management program.

Labor Training:

Qualifying Projects:

Labor training programs for manufacturing firms that utilize an organization pre-approved by the Company. Projects that are fully or partially funded by the Ohio Industrial Training Program (OITP) are excluded.

Incentives for labor training projects will be determined based on one-half (1/2) of the total cost of the labor training project as stated on the invoice from the pre-approved organization.

Productivity Assessment:

Qualifying Projects:

A productivity assessment for manufacturing firms conducted and completed by an organization pre-approved by the Company.

Incentives for a productivity assessment will be determined based on one-half (1/2) of the total cost of the productivity assessment as stated on the invoice from the pre-approved organization.

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Capital Equipment:

Qualifying Projects:

An investment in equipment that will increase the customer's efficiency and productivity provided the total cost exceeds one hundred and fifty thousand dollars (\$150,000).

Incentives for a capital equipment project will be determined based on one-half (1/2) of the total cost of the capital equipment as stated on the invoice from the equipment manufacturer/retailer.

New Product Development:

Qualifying Projects:

Research and Development equipment, engineering fees, consulting fees, etc. used by a manufacturing firm to develop a new product or service.

Incentives for a new product development project will be determined based on one-half (1/2) of the total cost of the development of the product or service as stated on the applicable invoices for provided services or purchased equipment.

DP&L or DP&L Affiliate Products and Services:

Qualifying Projects:

Any product or service provided by DP&L or its affiliate including but not limited to reliability analysis or solutions, power quality analysis or solutions, or enhanced business energy audits.

Incentives for a DP&L or DP&L Affiliate Product or Service will be determined based on one-half (1/2) of Customer's total cost of the product or service.

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INCENTIVE LEVELS:

Qualifying Existing Customer:

To be eligible for Program incentives, an existing Customer must create a minimum of five (5) new full-time jobs or make a qualifying capital investment of over one hundred and fifty thousand dollars (\$150,000) after January 1, 1997. An existing Customer that meets at least one of these criteria and maintains an annual load factor of greater than seventy-five percent (75%) will be eligible to receive a monthly incentive of thirty-five percent (35%) of its increased charges for electric service as defined below. An existing customer that meets at least one of these criteria and maintains an annual load factor of seventy-five percent (75%) or less will be eligible to receive a monthly incentive of twenty-five percent (25%) of its increased charges for electric service as defined below.

An existing customer's annual load factor shall be calculated on a rolling twelve (12) month historical basis and evaluated semiannually.

Increased charges shall be calculated as the difference between Customer's monthly "base" bill in the twelve months prior to the signing of the Service Agreement, and the increased "base" bill for the corresponding month. The "base" bill is the sum of the following charges:

- Distribution
- Transmission
- Required Ancillary Services
 - Scheduling
 - Reactive Supply
 - Regulation & Frequency Response
 - Spinning Reserves
 - Supplemental Reserves
- Generation (Less Fuel at \$.01300/kWh)
- Emission Fee Recovery Rider
- Regulatory Transition Charge
- Customer Transition Charge
- Excise Tax Surcharge

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THE DAYTON POWER AND LIGHT COMPANY
DP&L Building
Courthouse Plaza Southwest
Dayton, Ohio 45401

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TERM OF SERVICE AGREEMENT:

The initial term of the Service Agreement between the Company and the Customer shall be four (4) calendar years. Credit shall accumulate during the initial term. All funds accumulated and available in the Customer's "credit account" must be used within one (1) year after the expiration of the initial term of the Service Agreement. Thereafter, Customer will forfeit any unused funds remaining in its "credit account". In the event that the Service Agreement is terminated within the four-year term of the Agreement, the Customer will not be subject to penalties or rebilling. The Customer will, however, forfeit all unused credits that have been accumulated up to the date of termination.

If a Customer takes Generation Service from an Alternate Generation Supplier, that Customer will forfeit all unused credits that have been accumulated and their existing Service Agreement will be terminated.

TERMS AND CONDITIONS:

All Distribution Service of the Company is rendered under and subject to the Rules and Regulations contained in this Schedule.

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