DP&L Electric Security Plan

Application Filed with the Public Utilities Commission of Ohio on October 5, 2012 Under Docket #12-0426-EL-SSO

October 8, 2012



Safe Harbor Disclosure

Certain statements in the following presentation regarding AES' business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES' filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A "Risk Factors" in AES' 2011 Annual Report on Form 10-K, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Key Elements of DP&L's Electric Security Plan (ESP) Filing

- Proposed plan covers a 5-year period beginning January 1, 2013 and ending December 31, 2017
- Blends existing Standard Service Offer (SSO) with competitive market-based auction price to derive blended SSO rate
  - Initial auction of 10% of load to supply SSO in early 2013, increasing to 40% in June 2014, 70% in June 2015 and 100% in June 2016 (3 years and 5 months)
- Proposed Service Stability Rider (SSR) of $120 million per year through December 2017
  - SSR should allow DP&L to maintain its financial health during this period assuming no increase in customer shopping (62% as of August 2012)
- Proposed switching tracker beginning with the start of the ESP and ending in June 2016
  - Would allow DP&L to defer as a regulatory asset the value of increased customer shopping
  - Deferrals would be recovered with carrying charges beginning January 1, 2014
- Supports Ohio's move to competitive markets over time but more quickly than in an MRO
- Will file separate application by December 2013 expressing current plan to separate generation by December 2017

Note: There can be no assurance that the ESP will be accepted or if accepted, that the ESP will be on the terms set forth above. For a discussion of regulatory risks at DP&L, see Item 1 – Regulatory Matters and Item 1A – Risk Factors in AES' Form 10-K. Complete filing package will be available at http://dis.puc.state.oh.us/CaseRecord.aspx?CaseNo=12-0426.

DP&L Proposed SSO Timeline

