

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K

Annual report pursuant to section 13 and 15(d)

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### FILER

#### **DAYTON POWER & LIGHT CO**

CIK: **27430** | IRS No.: **310258470** | State of Incorporation: **OH** | Fiscal Year End: **1231**  
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SIC: **4931** Electric & other services combined

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SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549  
Form 10-K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1993

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-2385

THE DAYTON POWER AND LIGHT COMPANY  
(Exact name of registrant as specified in its charter)

OHIO  
(State or other jurisdiction of  
incorporation or organization)

31-0258470  
(I.R.S. Employer  
Identification No.)

Courthouse Plaza Southwest, Dayton, Ohio  
(Address of principal executive offices)

45402  
(Zip Code)

Registrant's telephone number, including area code: 513-224-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of each exchange on which registered -----
First Mortgage Bonds 8% Series Due 2003	New York Stock Exchange
Preferred Stock (\$100 Par Value)	
7.48% Series D, Cumulative	New York Stock Exchange
7.70% Series E, Cumulative	New York Stock Exchange
7.375% Series F, Cumulative	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ( )

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES (X) NO ( )

Number of shares of registrant's common stock outstanding as of February 28, 1994, all of which were held by DPL Inc., was 41,172,173.

PART I  
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Item 1 - BUSINESS\*

THE COMPANY

The Dayton Power and Light Company (the "Company") is a

public utility incorporated under the laws of Ohio in 1911. Located in West Central Ohio, it furnishes electric service to 464,000 retail customers in a 24 county service area of approximately 6,000 square miles and furnishes natural gas service to 286,000 customers in 16 counties. In addition, the Company provides steam heating service in downtown Dayton, Ohio. The Company serves an estimated population of 1.2 million. Principal industries served include electrical machinery, automotive and other transportation equipment, non-electrical machinery, agriculture, paper, rubber and plastic products. The Company's sales reflect the general economic conditions and seasonal weather patterns of the area. The solid performance of the economy of West Central Ohio and seasonal summer and winter weather in 1993 contributed to increased energy sales for the year. Electric sales to business customers were up 4% for the year while total electric and natural gas sales increased 4% and 3% respectively, as compared to 1992. During 1993, cooling degree days were 4% above the twenty year average and 35% above 1992. Heating degree days in 1993 were 3% above the thirty year average and 6% above 1992. Sales patterns will change in future years as weather and the economy fluctuate. The Company employed 3,147 persons as of December 31, 1993, of which 2,653 are full-time employees and 494 are part-time employees.

All of the outstanding shares of common stock of the Company are held by DPL Inc., which became the Company's corporate parent, effective April 21, 1986. Subsidiaries of the Company include MacGregor Park, Inc., an owner and developer of real estate; DP&L Community Urban Redevelopment Corporation, the owner of a downtown Dayton office building; and Miami Valley Equipment, Inc., which presently owns no property and conducts no business.

The Company's principal executive and business office is located at Courthouse Plaza Southwest, Dayton, Ohio 45402 - telephone (513)224-6000.

Information relating to industry segments is contained in Item 8 - Note 11 of Notes to Consolidated Financial Statements on Page II-23 of this document, which Note is incorporated herein by reference.

\* Unless otherwise indicated, the information given in "Item 1 - BUSINESS" is current as of March 11, 1994. No representation is made that there have not been any subsequent changes to such information.

I-1

#### COMPETITION

The Company competes with privately and municipally owned electric utilities and rural electric cooperatives, natural gas suppliers and other alternate fuel suppliers. The Company competes on the basis of price and service.

Like other utilities, the Company from time to time may have electric generating capacity available for sale to other utilities. The Company competes with other utilities to sell electricity provided by such capacity. The ability of the Company to sell this electricity will depend on how the Company's price, terms and conditions compare to those of other utilities. In addition, from time to time, the Company also makes power purchases from neighboring utilities.

In an increasingly competitive energy environment, cogenerated power may be used by customers to meet their own power needs. Cogeneration is the dual use of a form of energy, typically steam, for an industrial process and for the generation of electricity. The Public Utilities Regulatory Policies Act of 1978 ("PURPA") provides regulations covering

when an electric utility is required to offer to purchase excess electric energy from cogeneration and small power production facilities that have obtained qualifying status under PURPA.

The National Energy Policy Act of 1992, which reformed the Public Utilities Holding Company Act, allows the federal government to mandate access by others to a utility's electric transmission system and may accelerate competition in the supply of electricity.

General deregulation of the natural gas industry has continued to prompt the influence of market competition as the driving force behind natural gas procurement. The maturation of the natural gas spot market in combination with open access interstate transportation provided by pipelines has provided the Company, as well as its end-use customers, with an array of procurement options. Customers with alternate fuel capability can continue to choose between natural gas and their alternate fuel based upon overall economics. Therefore, demand for natural gas purchased from the Company or purchased elsewhere transported to the end-use customer by the Company could fluctuate based on the economics of each in comparison with changes in alternate fuel prices. For the Company, price competition and reliability among both natural gas suppliers and interstate pipeline sources are major factors affecting procurement decisions.

I-2

In April 1992, FERC issued Order No. 636 ("Order 636") amending its regulations governing the service obligations, rate design and cost recovery of interstate pipelines. The Company's interstate pipeline suppliers have received approval from FERC to implement their restructuring plans to comply with the regulations.

The Public Utilities Commission of Ohio ("PUCO") has held roundtable discussions and meetings regarding the implications of Order 636 for local distribution companies, producers and consumers. The PUCO has issued interim guidelines allowing utilities to file revised natural gas transportation tariffs to comply with the Order, and is continuing efforts to examine the impact via roundtable discussions. The Company's natural gas tariffs and operations comply with the PUCO's interim guidelines and the requirements of Order 636.

In January 1994, the Company, the Staff of the PUCO and the Office of the Ohio Consumers' Counsel (the "OCC") submitted to the PUCO an agreement which resolves issues relating to the recovery of Order 636 "transition costs" to be billed to the Company by natural gas interstate pipeline companies. The agreement, which is subject to PUCO approval, provides for the full recovery of these transition costs from the Company's customers. The interstate pipelines will file with the FERC for authority to recover these transition costs, the exact magnitude of which has not been established.

The Company provides service to 12 municipal customers which distribute electricity within their corporate limits. One municipality has signed a contract for the Company to provide 95% of its requirements. In addition to these municipal customers, the Company maintains an interconnection agreement with one municipality which can generate all or a portion of its energy requirements. Sales to municipalities represented 1.3%

of total electricity sales in 1993. The Company maintains discussions with these municipalities concerning potential energy agreements.

I-3

CONSTRUCTION AND FINANCING PROGRAM OF THE COMPANY

1994-1998 Construction Program

The estimated construction additions for the years 1994-1998 are set forth below:

	1994	1995	1996	Estimated 1997	1998	1994-1998
	----	----	----	----	----	-----
	millions					
Electric generation and transmission commonly owned with neighboring utilities.....	\$ 22	\$ 28	\$ 24	\$ 41	\$ 23	\$138
Other electric generation and transmission facilities..	43	33	34	18	13	141
Electric distribution.....	24	26	31	34	37	152
General.....	3	3	2	1	1	10
Gas, steam and other facilities.....	13	13	11	12	12	61
	---	---	---	---	---	---
Total construction.....	\$105	\$103	\$102	\$106	\$ 86	\$502

Estimated construction additions over the next five years average \$100 million annually which is approximately equal to the projected depreciation expense over the same period.

The construction additions for the period include plans to construct a series of 70 MW combustion turbine generating units scheduled to be completed at varying intervals dependent upon need. The first unit is scheduled for completion in June 1995.

Construction plans are subject to continuing review and are expected to be revised in light of changes in financial and economic conditions, load forecasts, legislative and regulatory developments and changing environmental standards, among other factors. The Company's ability to complete its capital projects and the reliability of future service will be affected by its financial condition, the availability of external funds at reasonable cost and adequate and timely rate increases.

See ENVIRONMENTAL CONSIDERATIONS for a description of environmental control projects and regulatory proceedings which may change the level of future construction additions. The potential impact of these events on the Company's operations cannot be estimated at this time.

1994-1998 Financing Program  
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The Company will require a total of \$106 million during the next five years for bond maturities and preferred stock and bond sinking funds in addition to any funds needed for the construction program.

At year-end 1993, the Company had a cash and temporary investment balance of \$6 million. Proceeds from temporary cash investments, together with internally generated cash and future outside financings, will provide for the funding of the construction program, sinking funds and general corporate requirements.

In mid-March 1994, DPL Inc. plans to file a registration statement with the Securities and Exchange Commission for the issuance and sale of approximately three-and-a-half million common shares. The net proceeds from the planned sale of shares, estimated to equal approximately \$65 million, would be contributed to the Company which would use the funds, along with temporary cash investments and/or short-term borrowings, to redeem in May 1994 all of the outstanding shares of its Preferred Stock, Series D, E, F, H and I, which have an average dividend rate of 8.1%.

During late 1992 and early 1993, the Company took advantage of favorable market conditions to reduce its cost of debt and extend maturities through early refundings. Three new series of First Mortgage Bonds were issued in 1992 in the aggregate principal amount of \$320 million at an average interest rate of 7.8% to finance the redemption of a similar principal amount of debt securities. Additionally, in early 1993, the Company issued two new series of First Mortgage Bonds in the aggregate principal amount of \$446 million at an average interest rate of 8.0% to finance the redemption of a similar principal amount of six series of First Mortgage Bonds. The amounts and timings of future financings will depend upon market and other conditions, rate increases, levels of sales and construction plans.

In November 1989, DPL Inc. entered into a revolving credit agreement ("the Credit Agreement") with a consortium of banks renewable through 1998 which allows total borrowings by DPL Inc. and its subsidiaries of \$200 million. The Company has authority from the PUCO to issue short term debt up to \$200 million with a maximum debt limit of \$300 million including loans from DPL Inc. under the terms of the Credit Agreement. At December 31, 1993, DPL Inc. had no outstanding borrowings under this Credit Agreement. The Company also has \$97 million available in short term informal lines of credit. At year-end, the Company had \$10 million outstanding from these lines of credit and \$15 million in commercial paper outstanding.

Under the Company's First and Refunding Mortgage, First Mortgage Bonds may be issued on the basis of (i) 60% of unfunded

property additions, subject to net earnings, as defined, being at least two times interest on all First Mortgage Bonds outstanding and to be outstanding, and (ii) 100% of retired First Mortgage Bonds. The Company anticipates that, during 1994-98, it will be able to issue sufficient First Mortgage Bonds to satisfy its long-term debt requirements in connection with the financing of its construction and refunding programs discussed above.

The maximum amount of First Mortgage Bonds which may be issued in the future will fluctuate depending upon interest rates, the amounts of bondable property additions, earnings and retired First Mortgage Bonds. There are no coverage tests for the issuance of preferred stock under the Company's Amended Articles of Incorporation.

ELECTRIC OPERATIONS AND FUEL SUPPLY

The Company's present winter generating capability is 3,053,000 KW. Of this capability, 2,843,000 KW (approximately 93%) is derived from coal-fired steam generating stations and the balance consists of combustion turbine and diesel-powered peaking units. Approximately 87% (2,472,000 KW) of the existing steam generating capability is provided by certain units owned as tenants in common with the Cincinnati Gas & Electric Company ("CG&E") or with CG&E and Columbus Southern Power Company ("CSP"). Under the agreements among the companies, each company owns a specified undivided share of each facility, is entitled to its share of capacity and energy output, and has a capital and operating cost responsibility proportionate to its ownership share.

A merger agreement between CG&E and PSI Resources is currently pending. The Company has intervened in the merger proceeding currently pending at the FERC so that the operations of its commonly owned generating units will not be materially impacted by the merger.

The remaining steam generating capability (371,000 KW) is derived from a generating station owned solely by the Company. The Company's all time net peak load was 2,765,000 KW, which occurred in July 1993. The present summer generating capability is 3,017,000 KW.

GENERATING FACILITIES

Station	Owner-ship*	Operating Company	Location	MW Rating	
				Company Portion	Total
Coal Units					
Hutchings	W	Company	Miamisburg, OH	371	371
Killen	C	Company	Wrightsville, OH	402	600
Stuart	C	Company	Aberdeen, OH	820	2,340
Conesville-Unit 4	C	CSP	Conesville, OH	129	780
Beckjord-Unit 6	C	CG&E	New Richmond, OH	210	420
Miami Fort-					

Units 7&8	C	CG&E	North Bend, OH	360	1,000
East Bend-Unit 2	C	CG&E	Rabbit Hash, KY	186	600
Zimmer	C	CG&E	Moscow, OH	365	1,300

Combustion Turbines or Diesel

Hutchings	W	Company	Miamisburg, OH	32	32
Yankee Street	W	Company	Centerville, OH	144	144
Monument	W	Company	Dayton, OH	12	12
Tait	W	Company	Dayton, OH	10	10
Sidney	W	Company	Sidney, OH	12	12

\* W = Wholly Owned; C = Commonly Owned

In order to transmit energy to their respective systems from their commonly-owned generating units, the companies have constructed and own, as tenants in common, 847 circuit miles of 345,000-volt transmission lines. The Company has several interconnections with other companies for the purchase, sale and interchange of electricity.

The Company derived over 99% of its electric output from coal-fired units in 1993. The remainder was derived from units burning oil or natural gas which were used to meet peak demands.

The Company estimates that approximately 65-85% of its coal requirements for the period 1994-1998 will be obtained through long term contracts, with the balance to be obtained by spot market purchases. The Company has been informed by CG&E and CSP through the procurement plans for the commonly owned units operated by them that sufficient coal supplies will be available during the same planning horizon.

The prices to be paid by the Company under its long term coal contracts are subject to adjustment in accordance with various indices. Each contract has features that will limit price escalations in any given year.

I-7

The total average price per million British Thermal Units ("MMBTU") of coal received in each of 1993 and 1992 was \$1.46/MMBTU and \$1.56/MMBTU in 1991.

The average fuel cost per kWh generated of all fuel burned for electric generation (coal, gas and oil) for the year was 1.43cents/ which represents a decrease from 1.48cents/ in 1992 and 1.60cents in 1991. Through the operation of a fuel cost adjustment clause applicable to electric sales, the increases and decreases in fuel costs are reflected in customer rates on a timely basis. See RATE REGULATION AND GOVERNMENT LEGISLATION and ENVIRONMENTAL CONSIDERATIONS.

GAS OPERATIONS AND GAS SUPPLY

The Company has long term firm pipeline transportation agreements with ANR Gas Pipeline Company ("ANR") through 1997 and Columbia Gas Transmission Corporation ("Columbia"), Columbia Gulf Transmission Corporation, Texas Gas Transmission Corporation ("Texas Gas") and Panhandle Eastern Pipe Line Company ("Panhandle") through 2004. Along with the firm transportation services the Company has approximately 16 billion cubic feet of storage service with the various pipelines. The Company also maintains and operates four propane-air plants with a daily rated capacity of approximately 67,500 thousand cubic feet ("MCF") of natural gas.

Coordinated with the pipeline service agreements, the



Company has 14 firm natural gas supply agreements with various natural gas producers. The Company purchased approximately 90% of its 1993 supply under these producer agreements and the remaining supplies on the spot/short term market. The Company purchased natural gas during 1993 at an average price of \$3.65 per MCF, compared to \$3.31 per MCF and \$2.70 per MCF in 1992 and 1991, respectively. Through the operation of a natural gas cost adjustment clause applicable to gas sales, increases and decreases in the Company's natural gas costs are reflected in customer rates on a timely basis. SEE RATE REGULATION AND GOVERNMENT LEGISLATION.

The Company is also interconnected with CNG Transmission Corporation and Texas Eastern Transmission Corporation. Several interconnections with various interstate pipelines provide the Company the opportunity to purchase competitively-priced natural gas supplies and pipeline services.

I-8

During 1993, the Company implemented requirements of Order 636 with all of its natural gas interstate pipeline suppliers. As a result of FERC's mandate that pipelines no longer bundle the product of natural gas with pipeline transportation into one package, the Company purchased the majority of its natural gas in 1993 under direct market purchases. Additionally, the implementation of Order 636 required the Company to purchase certain volumes of natural gas from interstate pipelines to fill storage. In the future, the Company will obtain its natural gas from direct market purchases or pipelines based on cost and reliability. The Company has natural gas agreements that meet 90% of its requirements. The remainder will be purchased to meet seasonal requirements under short term purchase agreements.

The PUCO continues to support open access, nondiscriminatory transportation of natural gas by the state's local distribution companies for end-use customers. The PUCO has guidelines to provide a standardized structure for end-use transportation programs which requires a tariff providing the prices, terms and conditions for such service. The Company has filed a transportation tariff to comply with these guidelines and approval is pending. During 1993, the Company provided transportation service to 185 end-use customers, delivering a total quantity of 13,401,229 MCF.

Columbia and Panhandle have obtained conditional approval from FERC to recover take-or-pay and contract reformation costs from the Company through fixed demand surcharges pursuant to revised FERC rules. The validity of the revisions was reviewed and dismissed by the U.S. Court of Appeals for the District of Columbia Circuit. Pursuant to a settlement approved by the PUCO, the Company may recover take-or-pay costs from its retail and transportation customers.

On April 30, 1990, Columbia filed an application with FERC to implement a general rate increase in order to recover, among other things, costs associated with construction of certain "Global Settlement" facilities. The rates were accepted to become effective November 1, 1990. A partial offer of settlement was accepted on April 16, 1992, and an initial

decision on the remaining issues was issued on November 13, 1992. On May 31, 1991, Columbia filed a second application with FERC to implement a general rate increase which was partially accepted effective December 1, 1991. On October 1, 1991, Columbia filed a third application to implement a general rate increase which was partially accepted to become effective April 1, 1992. The second and third applications were subsequently consolidated into one rate proceeding, and rate design, cost classification and cost allocations were further consolidated into Columbia's restructuring proceeding referenced in following paragraphs. A settlement dated November 9, 1992, regarding the remaining cost of service and throughput issues was approved by FERC April 2, 1993.

I-9

On April 27, 1990, Texas Gas filed an application with FERC to implement a general rate increase which was accepted to become effective November 1, 1990. This docket was consolidated into the Texas Gas restructuring proceeding which was made effective November 1, 1993. On May 1, 1992, Panhandle filed an application with FERC to implement a general rate increase which rates were accepted effective November 1, 1992. A hearing on this matter is set for May 17, 1994. On April 29, 1993 Texas Gas filed a second application with FERC to implement a rate increase which was accepted effective November 1, 1993. A hearing on this matter is set for June 28, 1994. On November 1, 1993, ANR filed an application with FERC to implement a rate increase which was accepted effective May 2, 1994. Through the operation of a natural gas cost adjustment clause applicable to gas sales, increases and decreases in the Company's natural gas costs are reflected in customer rates on a timely basis.

On July 31, 1991, Columbia Gas System Inc. and Columbia, one of the Company's major pipeline suppliers, filed separate Chapter 11 petitions in U.S. Bankruptcy Court. The bankruptcy court permitted Columbia to break approximately 4,500 long term natural gas contracts with upstream suppliers on August 22, 1991, January 6, 1992, and January 8, 1992. The bankruptcy court issued an order on March 18, 1992, granting approval of an agreement between the customers and Columbia which assures the continuation of all firm service agreements (including storage) through the winter of 1993, with year-to-year continuation unless adequate notice is provided. On February 13, 1992, the bankruptcy court ruled on a motion by Columbia to flow through to its customers all appropriate refunds, including take-or-pay refunds which were received from its upstream suppliers and excessive rate refunds except for approximately \$18 million of pre-petition take-or-pay refunds. However, on July 6, 1992, the United States District Court for Delaware reversed the bankruptcy court. On July 8, 1993, the Third Circuit Court of Appeals reversed the District Court for Delaware and reinstated the U.S. Bankruptcy Court's ruling that Columbia may flow through to its customers all post petition take-or-pay refunds which were received from its upstream suppliers. The U.S. Supreme Court denied an appeal on February 18, 1994 of the Third Circuit Court of Appeals' decision. The Company expects full recovery of all take-or-pay refunds received by Columbia post petition. The parties to the bankruptcy are currently evaluating Columbia's proposed plan of reorganization. Based upon a July 1993 FERC order disallowing the recovery of natural gas producer contracts rejected in the bankruptcy case, the Company does not expect the bankruptcy proceedings to have a material adverse effect on its earnings or competitive position.

In April 1992 FERC issued Order 636 which amended its regulations governing the service obligations of interstate pipelines. Some of the major changes enacted include unbundling

of pipeline sales from transportation, the creation of a "no-notice" transportation service, pre-granted abandonment for all interruptible and short term firm transportation subject to a right-of-first-refusal, capacity brokering, rate design and transition costs. All interstate pipeline filings were made effective by November 1, 1993.

In response to Order 636, the PUCO has initiated roundtable discussions with natural gas utilities and other interested parties to discuss the impact of the Order and the state regulation of natural gas utilities. The PUCO has issued interim guidelines allowing utilities to file revised natural gas transportation tariffs to comply with Order 636, and is continuing to examine the impact via ongoing roundtable discussions that run concurrently with the interstate pipelines' restructuring proceedings. The interim guidelines also require each natural gas utility to file plans for peak day operations. The Company's operations comply with all interim guidelines and the Company expects full recovery of all Order 636 transition costs.

#### RATE REGULATION AND GOVERNMENT LEGISLATION

The Company's sales of electricity, natural gas and steam to retail customers are subject to rate regulation by the PUCO and various municipalities. The Company's wholesale electric rates to municipal corporations and other distributors of electric energy are subject to regulation by FERC under the Federal Power Act.

Ohio law establishes the process for determining rates charged by public utilities. Regulation of rates encompasses the timing of applications, the effective date of rate increases, the cost basis upon which the rates are based and other related matters. Ohio law also established the Office of the OCC, which is authorized to represent residential consumers in state and federal judicial and administrative rate proceedings.

The Company's electric and natural gas rate schedules contain certain recovery and adjustment clauses subject to periodic audits by, and proceedings before, the PUCO. Electric fuel and gas costs are expensed as recovered through rates.

Ohio legislation extends the jurisdiction of the PUCO to the records and accounts of certain public utility holding company systems, including DPL Inc. The legislation extends the PUCO's supervisory powers to a holding company system's general condition and capitalization, among other matters, to the extent that they relate to the costs associated with the provision of public utility service. Additionally, the legislation requires PUCO approval of (i) certain transactions and transfers of

assets between public utilities and entities within the same holding company system, and (ii) prohibits investments by a holding company in subsidiaries which are not public utilities in an amount in excess of 15% of the aggregate capitalization of the holding company on a consolidated basis at the time such investments are made.

In April 1991, the Company filed an application with

the PUCO to increase its electric rates to recover costs associated with the construction of the William H. Zimmer Generating Station ("Zimmer"), earn a return on the Company's investment and recover the current costs of providing electric service to its customers. In November 1991, the Company entered into a settlement agreement with various consumer groups resolving all issues in the case. The PUCO approved the agreement on January 22, 1992. Pursuant to that agreement, new electric rates took effect February 1, 1992, January 2, 1993 and January 3, 1994. The agreement also established a baseline return on equity of 13% (subject to upward adjustment) until the Company's next electric rate case. In the event that the Company's return exceeds the allowed return by between one and two percent, then one half of the excess return will be used to reduce the cost of demand-side management ("DSM") programs. Any return that exceeds the allowed return by more than two percent will be entirely credited to these programs. Amounts deferred during the phase-in period, including carrying charges, will be capitalized and recovered over seven years commencing in 1994. Deferrals were \$58 million in 1992 and \$28 million in 1993. The recovery expected in 1994, net of additional carrying cost deferrals, is \$10 million. The phase-in plan meets the requirements of the Financial Accounting Standards Board ("FASB") Statement No. 92.

In addition, the Company agreed to undertake cost-effective DSM programs with an average annual cost of \$15 million for four years commencing in 1992. The amount recovered in rates was \$4.6 million in 1992. This amount increased to \$7.8 million in 1993 and will remain at that level in subsequent years. The difference between expenditures and amounts recovered through rates is deferred and is eligible for recovery in future rates in accordance with existing PUCO rulings.

In March 1991, the PUCO granted the Company the authority to defer interest charges, net of income tax, on its 28.1% ownership investment in Zimmer from the March 30, 1991, commercial in-service date through January 31, 1992. Deferred interest charges on the investment in Zimmer have been adjusted to a before tax basis in 1993 as a result of FASB Statement No. 109. Amounts deferred are being amortized over the life of the plant.

I-12

Regulatory deferrals on the balance sheet were:

	Dec. 31 1993	Dec. 31 1992
	-----	-----
	--millions--	
Phase-in	\$ 85.8	\$ 57.7
DSM	23.3	2.2
Deferred interest - Zimmer	63.7	43.9
	-----	-----
Total	\$172.8	\$103.8
	=====	=====

In 1989 the PUCO approved rules for the implementation of a comprehensive Integrated Resource Planning ("IRP") program for all investor-owned electric utilities in Ohio. Under this program, each utility is required to file an IRP as part of its Long Term Forecast Report ("LTFR"). The IRP requires each utility to evaluate available demand-side resource options in addition to supply-side options to determine the most

cost-effective means for satisfying customer requirements. The rules currently allow a utility to apply for deferred recovery of DSM program expenditures and lost revenues between LTFR proceedings. Ultimate recovery of expenditures is contingent on review and approval of such programs as cost-effective and consistent with the most recent IRP proceeding. The rules also allow utilities to submit alternative proposals for the recovery of DSM programs and related costs.

In 1991 the PUCO ruled that the Company's 1991 LTFR be consolidated and reviewed in conjunction with the Company's 1992 LTFR proceeding. The Company filed its 1992 LTFR in June 1992. The Company also filed its environmental compliance plan in June 1992, and asked the PUCO to consolidate the environmental compliance plan proceeding with the LTFR proceeding. The PUCO granted the Company's request to consolidate the cases. The evidentiary hearing on the Company's 1991/1992 LTFR and environmental compliance plan was held on February 17, 1993. The parties entered into a stipulation in settlement of all issues which continues the Company's commitment to DSM programs. The stipulation was approved by the PUCO on May 6, 1993.

The Company has in place a percentage of income payment plan ("PIPP") for eligible low-income households as required by the PUCO. This plan prohibits disconnections for nonpayment of customer bills if eligible low-income households pay a specified percentage of their household income toward their utility bill. The PUCO has approved a surcharge by way of a temporary base rate tariff rider which allows companies to recover arrearages

I-13

accumulated under PIPP. In 1993 the Company reached a settlement with the PUCO staff, the Office of the OCC and the Legal Aid Society to provide new and expanded programs for PIPP eligible customers. The expanded programs include greater arrears crediting, lower monthly payments, educational programs and information reports. In exchange, the Company may accelerate recovery of PIPP and pre-PIPP arrearages and recover program costs. The settlement also established a four year moratorium on changes to the program. The PUCO approved the settlement on December 2, 1993. Pursuant to the terms of the settlement, the Company filed an application on January 21, 1994 to lower its PIPP rate. To date, the PUCO has not acted on the Company's application.

In 1991 the PUCO issued a Finding and Order which encourages electric utilities to undertake the competitive bidding of new supply-side energy projects. The policy also encourages utilities to provide transmission grid access to those supply-side energy providers awarded bids by utilities. Electric utilities are permitted to bid on their own proposals. The PUCO has issued for comment proposed rules for competitive bidding but has not issued final rules at this time.

The Company initiated a competitive bidding process in January 1993 for the construction of up to 140 MW of electric peaking capacity and energy by 1997. Through an Ohio Power Siting Board ("OPSB") investigative process, the Company's self-built option was evaluated to be the least cost option. On March 7, 1994, the OPSB approved the Company's applications for up to three 70 MW combustion turbines and two natural gas supply lines for the proposed site.

The OPSB issued rules on March 22, 1993 to provide electric and magnetic field information in applications for

construction of major generating and transmission facilities. The Company has addressed the topics covered by the new rules in all recent projects. One utility requested a rehearing on the rules which was denied by the OPSB on May 24, 1993. At this time the Company cannot predict the ultimate impact on timing and costs associated with the siting of new transmission lines.

On March 25, 1993, the PUCO adopted guidelines for the treatment of emission allowances created by the Clean Air Act Amendments of 1990. Under the guidelines, the Company's emission allowance trading plans, procedures, practices, activity and associated costs will be reviewed in its annual electric fuel component audit proceeding. The PUCO guidelines are being appealed by an industrial consumer group. In its Entry on emission allowances, the PUCO directed its Staff to develop proposed accounting guidelines for allowance trading

I-14

programs in accordance with FERC rulemaking efforts. According to FERC Order No. 552 issued on March 23, 1993, the Company will value allowances based on a weighted average cost methodology.

On May 26, 1993, the Senate of the State of Ohio approved the appointment of Mr. David W. Johnson as PUCO commissioner.

On January 12, 1994, the Ohio Consumers' Counsel Governing Board appointed Robert S. Tongren, a former assistant attorney general, to the position of Consumers' Counsel. Mr. Tongren replaced William A. Spratley, whose resignation from this position became effective September 30, 1993.

On February 22, 1994 a bill was introduced in the State of Ohio House of Representatives which, if approved, would give electric consumers the opportunity to obtain "retail" and "wholesale at retail" services from electric suppliers other than their current supplier at competitive rates. The ultimate disposition of the bill or its effect on the Company cannot be determined at this time.

#### ENVIRONMENTAL CONSIDERATIONS

The operations of the Company, including the commonly owned facilities operated by the Company, CG&E and CSP, are subject to federal, state, and local regulation as to air and water quality, disposal of solid waste and other environmental matters, including the location, construction and initial operation of new electric generating facilities and most electric transmission lines. The Company expended \$6 million for environmental control facilities during 1993. The possibility exists that current environmental regulations could be revised which could change the level of estimated 1994-1998 construction expenditures. See CONSTRUCTION AND FINANCING PROGRAM OF THE COMPANY.

#### Air Quality - -----

In July 1985, the United States Environmental Protection Agency ("U.S. EPA") adopted final stack height rules which could result in the lowering of emission limits for sulfur dioxide and particulate matter from affected units. The Company operates one unit (Killen Station) potentially affected by these rules. The Ohio Environmental Protection Agency ("Ohio EPA") has determined that Killen Station is not impacting air quality

and, therefore, no further action is needed at this time. CSP has informed the Company that Conesville Unit 4 is not affected by the rules. CG&E has informed the Company that Miami Fort Unit 7 is "grandfathered" from regulation and that Miami Fort

I-15

Unit 8 is not affected by the rules because Miami Fort Unit 5 is picking up the necessary emission reductions. On June 17 and July 12, 1988, the Company and others filed with the U.S. Supreme Court two petitions for a Writ of Certiorari seeking a review of the D.C. Circuit Court of Appeals decision that addressed the 1985 stack height rules. Those petitions were denied in October 1988 and, as a result, the U.S. EPA planned to begin a remand rulemaking to address issues arising from lower Court's opinion. The U.S. EPA continues to work on a remand rulemaking.

In December 1988, the U.S. EPA notified the State of Ohio that the portion of its State Implementation Plan ("SIP") dealing with sulfur dioxide emission limitations for Hamilton County (in southwestern Ohio) was deficient and required the Ohio EPA to develop a new SIP within 18 months. The notice affects industrial and utility sources and could require significant reductions in sulfur dioxide emission limitations at CG&E's Miami Fort Units 7 and 8 which are jointly owned with the Company. In February 1989, CG&E, together with other industrial sources affected by the notice, filed a petition for review in the U.S. Court of Appeals for the Sixth Circuit of the U.S. EPA's issuance of the notice. In July 1989, the Court of Appeals dismissed the petition for review. In April 1990, the Ohio EPA published its proposed revised SIP for comment. In June 1990, CG&E submitted its comments challenging the revisions, arguing that the proposed SIP is based on a computer model which is unsuitable and invalid for the hilly terrain of Hamilton County, and that in the last ten years, no violation of the National Ambient Air Quality Standards for SO<sub>2</sub> has ever been monitored.

In order to support its position, CG&E is taking part in an air monitoring program designed to prove that the present SIP adequately protects the ambient air quality. In October 1991, the Ohio EPA adopted new SO<sub>2</sub> regulations for Hamilton County. These regulations do not change the preexisting requirements for Miami Fort Units 7 and 8. The new regulations have been submitted to the U.S. EPA. On January 27, 1994, the U.S. EPA provided notice in the Federal Register that the new regulations for the Ohio SIP for Hamilton County were conditionally approved.

Changing environmental regulations continue to increase the cost of providing service in the utility industry. The Clean Air Act Amendments of 1990 (the "Act") will limit sulfur dioxide and nitrogen oxide emissions nationwide. The Act will restrict emissions in two phases with Phase I compliance completed by 1995 and Phase II completed by 2000. Final regulations were issued by the U.S. EPA on January 11, 1993. These regulations are consistent with earlier Act restrictions and do not change the expected costs of compliance of the Company.

I-16

The Company's preliminary compliance plan was filed

with the PUCO in June 1992 and consolidated with the 1991/1992 LTFR proceeding. The Company anticipates meeting the requirements of Phase I by switching to lower sulfur coal at several commonly owned electric generating facilities and increasing existing scrubber removal efficiency. Cost estimates to comply with Phase I of the Act are approximately \$10 million in capital expenditures. Phase I compliance is expected to have a minimal 1% to 2% price impact. Phase II requirements can be met primarily by switching to lower sulfur coal at all non-scrubbed coal-fired electric generating units. The stipulation entered into on February 17, 1993 with regards to the LTFR, including the environmental compliance plan, was approved by the PUCO on May 6, 1993. The Company anticipates that costs to comply with the Act will be eligible for recovery in future fuel hearings and other regulatory proceedings.

On March 16, 1993, the Company received a Finding of Violation from the U.S. EPA regarding opacity standards at Killen Station and, on March 17, 1993, a Notice of Violation from the U.S. EPA regarding opacity standards at Stuart Station. The Company has subsequently conducted conferences with the U.S. EPA to discuss the Finding and Notice. On October 11, 1993, the Company entered into negotiated Consent Orders with the U.S. EPA for the alleged violations at Killen and Stuart Stations. The Consent Orders do not require payment of any penalty but require the Company to formalize emissions control measures.

#### Land Use

- - - - -

The Company and numerous other parties have been notified by the U.S. EPA that it considers them Potentially Responsible Parties ("PRPs") for clean-up at three superfund sites in Ohio - the Sanitary Landfill Site on Cardington Road in Montgomery County, Ohio, the United Scrap Lead Site in Miami County, Ohio, and the Powell Road Landfill in Huber Heights, Montgomery County, Ohio.

The Company received notification from the U.S. EPA in July 1987, for the Cardington Road site. The Company has not joined the PRP group formed at that site because of the absence of any known evidence that the Company contributed hazardous substances to this site. The Record of Decision issued by the U.S. EPA identifies the chosen clean-up alternative at a cost estimate of \$8.1 million.

The Company received notification from the U.S. EPA in September 1987, for the United Scrap Lead Site. The Company has joined a PRP group for this site, which is actively conferring with the U.S. EPA. The Record of Decision issued by the U.S.

I-17

EPA estimates clean-up costs at \$27.1 million. The Company is one of over 200 parties to this site, and its estimated contribution to the site is less than .01%. Nearly 60 PRPs are actively working to settle the case. The Company is participating in the sponsorship of a study to evaluate alternatives to the U.S. EPA's clean-up plan. The final resolution of these investigations will not have a material effect on the Company's financial position or earnings.

The Company and numerous other parties received notification from the U.S. EPA on May 21, 1993 that it considers them PRPs for clean-up of hazardous substances at the Powell Road Landfill Site in Huber Heights, Ohio. The Company has joined the PRP group for the site. On October 1, 1993, the U.S.



EPA issued its Record of Decision identifying a cost estimate of \$20.5 million for the chosen remedy. The Company is one of over 200 PRPs to this site, and its estimated contribution is less than 1%. The final resolution will not have a material effect on the Company's financial position or earnings.

I-18

<TABLE>  
<CAPTION>

THE DAYTON POWER AND LIGHT COMPANY  
OPERATING STATISTICS  
ELECTRIC OPERATIONS

	Years Ended December 31,		
	1993	1992	1991
	----	----	----
<S>	<C>	<C>	<C>
Electric Output (millions of kWh)			
Generation -			
Coal-fired units.....	14,729	13,639	13,952
Other units.....	17	3	7
Power purchases.....	1,107	1,514	470
Exchanged and transmitted power.....	(7)	14	(54)
Company use and line losses.....	(1,170)	(1,116)	(1,060)
	-----	-----	-----
Total.....	14,676	14,054	13,315
	=====	=====	=====
Electric Sales (millions of kWh)			
Residential.....	4,558	4,260	4,571
Commercial.....	3,006	2,896	2,945

Industrial.....	4,089	3,938	3,949
Public authorities and railroads.....	1,356	1,311	1,360
Private utilities and wholesale.....	1,667	1,649	490
	-----	-----	-----
Total.....	14,676	14,054	13,315
	=====	=====	=====
Electric Customers at End of Period			
Residential.....	416,508	413,040	409,925
Commercial.....	40,606	39,685	39,151
Industrial.....	2,387	2,415	2,432
Public authorities and railroads.....	5,287	5,130	5,038
Other.....	17	16	15
	-----	-----	-----
Total.....	464,805	460,286	456,561
	=====	=====	=====
Operating Revenues (thousands)			
Residential.....	\$373,760	\$326,547	\$332,114
Commercial.....	200,124	180,890	178,883
Industrial.....	205,996	189,720	186,837
Public authorities and railroads.....	72,859	67,596	68,135
Private utilities and wholesale.....	38,491	35,174	15,436
Other.....	10,090	9,372	9,334
	-----	-----	-----
Total.....	\$901,320	\$809,299	\$790,739
	=====	=====	=====
Residential Statistics			
(per customer-average)			
Sales - kWh.....	10,998	10,358	11,213
Revenue.....	\$ 901.91	\$ 794.03	\$ 814.66
Rate per kWh (Month of December).....	7.99 cents	7.23 cents	6.96 cents

</TABLE>

I-19

<TABLE>  
<CAPTION>

THE DAYTON POWER AND LIGHT COMPANY  
OPERATING STATISTICS  
GAS OPERATIONS

	Years Ended December 31,		
	1993	1992	1991
	----	----	----
<S>	<C>	<C>	<C>
Gas Output (thousands of MCF)			
Direct market purchases .....	44,284	46,229	46,057
Liquefied petroleum gas.....	58	7	11
Company use and unaccounted for.....	(1,164)	(1,717)	(1,798)
Transportation gas received.....	13,704	10,973	8,387
	-----	-----	-----
Total.....	56,882	55,492	52,657
	=====	=====	=====
Gas Sales (thousands of MCF)			
Residential.....	28,786	27,723	26,594
Commercial.....	8,468	8,642	8,368
Industrial.....	3,056	4,914	6,014
Public authorities.....	3,171	3,402	3,187
Transportation gas delivered.....	13,401	10,811	8,494
	-----	-----	-----
Total.....	56,882	55,492	52,657
	=====	=====	=====

Gas Customers at End of Period			
Residential.....	262,834	260,471	258,092
Commercial.....	20,853	20,589	20,347
Industrial.....	1,527	1,577	1,661
Public authorities.....	1,333	1,311	1,290
	-----	-----	-----
Total.....	286,547	283,948	281,390
	=====	=====	=====

Operating Revenues (thousands)			
Residential.....	\$161,254	\$127,532	\$124,950
Commercial.....	44,321	36,148	34,942
Industrial.....	14,890	18,633	22,152
Public authorities.....	15,248	12,516	11,961
Other.....	9,366	8,953	7,033
	-----	-----	-----
Total.....	\$245,079	\$203,782	\$201,038
	=====	=====	=====

Residential Statistics (per customer-average)			
Sales - MCF.....	110.2	107.0	103.8
Revenue.....	\$617.33	\$492.33	\$487.69
Rate per MCF (Month of December).....	\$ 5.66	\$ 5.27	\$ 4.16

</TABLE>

Item 2- PROPERTIES

Electric  
- - - - -

Information relating to the Company's electric properties is contained in Item 1 - BUSINESS, THE COMPANY (page I-1), CONSTRUCTION AND FINANCING PROGRAM OF THE COMPANY (pages I-4 through I-6), ELECTRIC OPERATIONS AND FUEL SUPPLY (pages I-6 through I-8) and Item 8 - Notes 2 and 7 of Notes to Consolidated Financial Statements on pages II-14 and II-19, respectively, which pages are incorporated herein by reference.

Gas  
- - - - -

Information relating to the Company's gas properties is contained in Item 1 - BUSINESS, THE COMPANY (page I-1), and GAS OPERATIONS AND GAS SUPPLY (pages I-8 through I-11), which pages are incorporated herein by reference.

Steam  
- - - - -

The Company owns two steam generating plants and the steam distribution facility serving downtown Dayton, Ohio.

Other  
- - - - -

The Company owns a number of area service buildings located in various operating centers.

Substantially all property and plant of the Company is subject to the lien of the Mortgage securing the Company's First Mortgage Bonds.

Item 3 - LEGAL PROCEEDINGS

Information relating to legal proceedings involving the Company is contained in Item 1 - BUSINESS, THE COMPANY (page I-1), GAS OPERATIONS AND GAS SUPPLY (pages I-8 through I-11), RATE REGULATION AND GOVERNMENT LEGISLATION (pages I-11 through I-15), ENVIRONMENTAL CONSIDERATIONS (pages I-15 through I-18) and Item 8 - Note 2 of Notes to Consolidated Financial Statements on page II-14, which pages are incorporated herein by reference.

Item 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

I-21

PART II

- - - - -

Item 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is held solely by DPL Inc. and as a result is not listed for trading on any stock exchange.

The information required by this item of Form 10-K is set forth in Item 8 - Selected Quarterly Information on page II-24 and the Financial and Statistical Summary on page II-25, which pages are incorporated herein by reference.

The Company's Mortgage restricts the payment of dividends on the Company's Common Stock under certain conditions. In addition, so long as any Preferred Stock is outstanding, the Company's Amended Articles of Incorporation contain provisions restricting the payment of cash dividends on any of its Common Stock if, after giving effect to such dividend, the aggregate of all such dividends distributed subsequent to December 31, 1946 exceeds the net income of the Company available for dividends on its Common Stock subsequent to December 31, 1946, plus \$1,200,000. As of year end, all earnings reinvested in the business of the Company were available for Common Stock dividends.

The Credit Agreement requires that the aggregate assets of the Company and its subsidiaries constitute not less than 60% of the total consolidated assets of DPL Inc., and that the Company maintain common shareholder's equity (as defined in the Credit Agreement) at least equal to \$550 million.

Item 6 - SELECTED FINANCIAL DATA

The information required by this item of Form 10-K is set forth in Item 8 - Financial and Statistical Summary on page II-25, which page is incorporated herein by reference.

<TABLE>  
<CAPTION>

Item 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS  
The Dayton Power and Light Company

Performance Highlights	1993	1992	1991
<S>	<C>	<C>	<C>
CAPITAL INVESTMENT PERFORMANCE:			
Capital Structure (millions)			
Common shareholder's equity.....\$	1,049.2	1,022.0	995.9
Preferred stock.....\$	112.9	121.4	125.7
Long-term debt.....\$	1,012.9	952.1	996.4
	-----	-----	-----
Total.....\$	2,175.0	2,095.5	2,118.0
OPERATING PERFORMANCE:			
Electric--			
Sales (millions of kWh)			
Residential.....	4,558	4,260	4,571
Commercial.....	3,006	2,896	2,945
Industrial.....	4,089	3,938	3,949
Other.....	3,023	2,960	1,850
	-----	-----	-----
Total.....	14,676	14,054	13,315
Revenues (millions)			
Residential.....\$	373.8	326.5	332.1
Commercial.....\$	200.1	180.9	178.9
Industrial.....\$	206.0	189.7	186.8
Other.....\$	121.4	112.2	92.9
	-----	-----	-----
Total.....\$	901.3	809.3	790.7
Average price per kWh--retail and wholesale customers (calendar year).....cents	6.07	5.69	5.87
Gas--			
Sales (thousands of MCF)			
Residential.....	28,786	27,723	26,594
Commercial.....	8,468	8,642	8,368
Industrial.....	3,056	4,914	6,014
Other.....	16,572	14,213	11,681
	-----	-----	-----
Total.....	56,882	55,492	52,657
Revenues (millions)			
Residential.....\$	161.3	127.5	125.0
Commercial.....\$	44.3	36.2	34.9
Industrial.....\$	14.9	18.6	22.1
Other.....\$	24.6	21.5	19.0
	-----	-----	-----
Total.....\$	245.1	203.8	201.0
Average price per MCF--all customers (calendar year)....\$	5.42	4.36	4.39

</TABLE>

## Results of Operations

The 1993 earnings on common stock are \$135 million compared to \$133 million in 1992 and \$118 million in 1991.

Electric revenues increased 11% in 1993 and 2% in 1992. Warm summer temperatures contributed to a 4% sales increase. Implementation of the second phase of the electric rate increase of 6.4% in January 1993 also contributed to the increase in revenues. (See Financial Statement Note 2.) An overall sales increase of 6% in 1992 reflected strong sales to other utilities despite mild temperatures throughout the year.

Gas revenues increased 20% in 1993 due to significantly higher gas cost rates. A 6.2% increase in base rates in March 1992 contributed to the increased revenues. Gas sales increased by 3%. Gas revenues increased 1% in 1992 with lower gas cost rates offsetting increased weather-related sales of 5%.

In 1993, interest and other income included \$6 million of interest income associated with a federal income tax refund from the 1986-1988 audit period.

Operating and administrative expenses increased 16% in 1993 and decreased 5% in 1992. Included are redemption premiums and other refinancing costs of \$23 million in 1993 and \$9 million in 1992. Maintenance expense increased 18% in 1993 and decreased 16% in 1992 reflecting changes in the level of planned maintenance programs on the Company's production and distribution equipment. Operating, administrative and maintenance expenses are expected to stabilize in 1994.

Regulatory deferrals decreased in 1993 with the January implementation of the second phase of the Company's electric price increase. With this increase, current prices reflect more cost recovery and reduce the deferral needed to recognize the full revenue requirements of the phase-in plan. The phase-in plan established a baseline return on equity of 13% (subject to upward adjustment). In the event the return exceeds the allowed return by between one to two percent, then one half of the excess return will be used to reduce the cost of demand-side management programs, and any return that exceeds the allowed return by more than two percent will be entirely credited to these programs.

Allowance for Funds Used During Construction ("AFC") relating to the William H. Zimmer Generating Station ("Zimmer") ceased upon its completion in March 1991. Prior to this essentially all AFC related to Zimmer.

II-3

Total income taxes increased in 1993 and 1992 resulting from higher pre-tax income. Additionally, in 1993, the corporate tax rate was increased to 35% as enacted by the Omnibus Budget Reconciliation Act of 1993, increasing income taxes \$3 million.

Adopting FASB Statement No. 109 resulted in changes to the consolidated balance sheet. The increase in total assets is due to an increase in deferred interest-Zimmer (see Financial Statement Note 2) of \$23 million and the recognition of income taxes recoverable through future revenues of \$260 million. Offsetting these assets were additional deferred tax liabilities of \$283 million.

Credit Ratings

- -----  
In July 1993, the Company's bond and preferred stock ratings were raised by Duff & Phelps, a credit rating agency. First mortgage bonds are now rated "AA-" and preferred stock is rated "A+". This upgrade reflects the Company's significantly improved financial performance and favorable qualitative credit factors.

During the first quarter of 1992, the Company's bond, preferred stock and commercial paper ratings were upgraded by three credit rating agencies. Bonds were upgraded to "A2" by Moody's Investors Service, "A+" by Duff & Phelps and "A" by Standard & Poor's. These upgrades reflect the positive outcome of the Zimmer coal conversion project and rate settlement agreement. Each of these bond ratings is considered investment grade.

#### Construction Program and Financing

- -----

Construction additions were \$79 million, \$58 million and \$116 million in 1993, 1992 and 1991, respectively. For the period 1994 through 1998, total construction additions are projected to be \$502 million with a total of \$105 million occurring in 1994. During this same period, a total of \$106 million will be required for sinking funds and mandatory redemptions for preferred stock and bonds.

During 1993, total cash provided by operating activities was \$246 million. At year end, cash and temporary investments were \$6 million and short-term borrowings were \$30 million.

During late 1992 and early 1993, the Company took advantage of favorable market conditions to reduce its cost of debt and extend maturities through early refundings. Overall, five new series of First Mortgage Bonds were issued, aggregating approximately \$766 million with an average interest rate of 7.9%. The proceeds were used to finance the redemption of a similar principal amount of debt securities with an average interest rate of 8.7%.

II-4

Issuance of additional amounts of First Mortgage Bonds by the Company is limited by provisions of its mortgage. At December 31, 1993, more than \$500 million of additional bonds could have been issued. The amounts and timing of future financings will depend upon market and other conditions, rate increases, levels of sales and construction plans.

DPL Inc. has a revolving credit agreement, renewable through 1998, which allows total borrowings by DPL Inc. and its subsidiaries of \$200 million. At year end 1993, DPL Inc. had no borrowings outstanding under this credit agreement. At December 31, 1992, DPL Inc. had \$90 million outstanding under the revolving credit agreement which was used to fund share purchases for DPL Inc.'s Employee Stock Ownership Plan. These borrowings were repaid in January 1993 with the proceeds from the issuance of \$90 million of DPL Inc. 7.83% Notes due 2007.

The Company also has \$97 million available in short-term lines of credit. At year end, the Company had \$10 million outstanding from these lines of credit at a weighted average interest rate of 3.68% and \$15 million in commercial paper outstanding at weighted average interest rate of 3.34%.

#### Issues and Financial Risks

- -----

As a public utility, the Company is subject to processes which determine the rates it charges for energy services.

Regulators determine which costs are eligible for recovery in the rate setting process and when the recovery will occur. They also establish the rate of return on utility investments which are valued under Ohio law based on historical costs. The utility industry is subject to inflationary pressures similar to those experienced by other capital-intensive industries. Because rates for regulated services are based on historical costs, cash flows may not cover the total future costs of providing services. Construction costs over the next five years average \$100 million annually which approximates the projected depreciation over the same period.

The passage of the National Energy Policy Act allows the federal government to mandate access by others to a utility's transmission system and may accelerate competition in the supply of electricity.

In 1992, FERC issued Order 636 (the "Order") amending its regulations governing the service obligations, rate design and cost recovery of interstate pipelines. In response to the Order, the PUCO has approved interim guidelines for its implementation and is continuing efforts to examine the impact via round-table discussions. In 1993, the Company implemented the requirements of the Order.

II-5

In January 1994, the Company, the Staff of the PUCO and the Office of the OCC submitted to the PUCO an agreement which resolves issues relating to the recovery of "transition costs" to be billed to the Company by interstate pipeline companies. The agreement, which is subject to PUCO approval, provides for the full recovery of these transition costs from customers. The interstate pipelines will file with the FERC in 1994 for authority to recover these transition costs, the exact magnitude of which has not been established.

The U.S. EPA has estimated total costs of \$56 million for its preferred clean-up plans of three hazardous waste sites in Ohio. The U.S. EPA notified numerous parties, including the Company, that they are considered "Potentially Responsible Parties" for cleanup of these sites. The final resolution of these investigations will not have a material effect on the Company's financial position, earnings or cash flow.

Changing environmental regulations continue to increase the cost of providing service in the utility industry. The Clean Air Act Amendments of 1990 (the "Act") limit sulfur dioxide and nitrogen oxide emissions nationwide. The Act will restrict emissions in two phases with Phase I compliance completed by 1995 and Phase II completed by 2000.

In May 1993, the PUCO approved the Company's Clean Air Act Compliance Plan. This plan outlines the methods by which the emission reduction requirements will be met. Overall compliance is expected to have a minimal 1% to 2% price impact. The Company anticipates that costs to comply with the Act will be eligible for recovery in future fuel hearings and other regulatory proceedings.

Income Statement Highlights

\$ in millions	1993	1992	1991
-----			
Electric Utility:			
Revenues.....	\$901	\$809	\$791
Fuel used in production.....	225	219	235
	----	----	----
Net revenues.....	676	590	556
Gas Utility:			
Revenues.....	245	204	201



Gas purchased for resale.....	156	118	130
	----	----	----
Net revenues.....	89	86	71
Interest and other income.....	12	4	4
Operating and administrative...	181	155	163
Maintenance of equipment and facilities.....	90	76	90
Regulatory deferrals.....	(26)	(59)	(43)
Income taxes.....	76	64	40
Earnings on common stock.....	135	133	118

II-6

Item 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements -----	Page No. -----
Consolidated Statement of Results of Operations for the three years in the period ended December 31, 1993.....	II-8
Consolidated Statement of Cash Flows for the three years in the period ended December 31, 1993.....	II-9
Consolidated Balance Sheet as of December 31, 1993 and 1992.....	II-10 - II-11
Notes to Consolidated Financial Statements...	II-12 - II-23
Reports of Independent Accountants.....	II-26 - II-27

Index to Supplemental Information -----	Page No. -----
Selected Quarterly Information.....	II-24
Financial and Statistical Summary.....	II-25

II-7

<TABLE>  
<CAPTION>

The Dayton Power and Light Company

CONSOLIDATED STATEMENT OF RESULTS OF OPERATIONS

\$ in millions	For the years ended December 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
INCOME			
Utility service revenues--			
Electric . . . . .	\$ 901.3	\$ 809.3	\$ 790.7
Gas . . . . .	245.1	203.8	201.0
Steam . . . . .	7.3	6.7	6.3
Total utility service revenues . . . . .	1,153.7	1,019.8	998.0
Interest and other income . . . . .	11.5	3.5	4.1
Total income . . . . .	1,165.2	1,023.3	1,002.1
EXPENSES			
Fuel used in electric and steam production . . . . .	226.6	220.7	237.4
Gas purchased for resale . . . . .	156.4	117.6	130.4
Operating and administrative (Note 1) . . . . .	180.8	155.2	162.6
Maintenance of equipment and facilities . . . . .	89.6	76.1	90.3
Depreciation and amortization . . . . .	109.0	104.4	94.2
General taxes . . . . .	111.7	108.2	95.1
Interest expense . . . . .	97.4	94.3	93.1
Regulatory deferrals (Note 2) . . . . .	(25.8)	(58.7)	(43.0)
Allowance for funds used during construction . . . . .	(0.5)	(0.3)	(25.6)
Total Operating Expenses . . . . .	945.2	817.5	834.5
Operating Income . . . . .	220.0	205.8	167.6
Income taxes . . . . .	76.4	63.8	40.2
Net Income . . . . .	143.6	142.0	127.4
Preferred dividends . . . . .	8.7	9.4	9.7
Earnings on Common Stock . . . . .	\$ 134.9	\$ 132.6	\$ 117.7

</TABLE>

See Notes to Consolidated Financial Statements.

<TABLE>  
<CAPTION>

The Dayton Power and Light Company

CONSOLIDATED STATEMENT OF CASH FLOWS



<S>	<C>	<C>
ASSETS		
Electric property and plant . . . . .	\$2,923.8	\$2,864.4
Gas property and plant . . . . .	240.1	223.9
Steam and other property and plant . . . . .	32.1	31.2
Construction work in progress . . . . .	35.8	42.7
	-----	-----
	3,231.8	3,162.2
Less--		
Accumulated depreciation and amortization . . . . .	(950.6)	(857.6)
	-----	-----
Net property and plant . . . . .	2,281.2	2,304.6
	-----	-----
CURRENT ASSETS		
Cash and temporary cash investments (at cost) . . . . .	6.0	3.7
Accounts receivable, less provision for uncollectible accounts of \$9.1 and \$10.5, respectively . . . . .	130.1	126.3
Inventories, at average cost . . . . .	85.4	85.8
Taxes applicable to subsequent years . . . . .	72.8	70.6
Gas costs recoverable . . . . .	23.1	11.7
Prepayments and other . . . . .	44.7	50.7
	-----	-----
Total current assets . . . . .	362.1	348.8
	-----	-----
OTHER ASSETS		
Regulatory deferrals (Note 2) . . . . .	172.8	103.8
Income taxes recoverable through future revenues (Note 3) . . . . .	269.1	-
Other assets . . . . .	129.1	109.5
	-----	-----
Total other assets . . . . .	571.0	213.3
	-----	-----
Total Assets . . . . .	\$3,214.3	\$2,866.7
	=====	=====

</TABLE>

<TABLE>  
<CAPTION>

The Dayton Power and Light Company  
CONSOLIDATED BALANCE SHEET  
(continued)

\$ in millions	At December 31,	
	1993	1992
<S>	<C>	<C>
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common shareholder's equity-- (Note 8)		
Common stock . . . . .	\$ 0.4	\$ 0.4

Other paid-in capital . . . . .	675.2	675.0
Earnings reinvested in the business . . . . .	373.6	346.6
	-----	-----
Total common shareholder's equity . . . . .	1,049.2	1,022.0
	-----	-----
Preferred stock-- (Note 9)		
Without mandatory redemption provisions . . . . .	82.9	82.9
With mandatory redemption provisions . . . . .	30.0	38.5
Long-term debt (Note 5) . . . . .	1,012.9	952.1
	-----	-----
Total capitalization . . . . .	2,175.0	2,095.5
	-----	-----
CURRENT LIABILITIES		
Accounts payable . . . . .	113.7	91.3
Short-term debt (Note 6) . . . . .	29.8	66.8
Current portion of first mortgage bonds and preferred stock . . . . .	9.0	59.0
Accrued taxes . . . . .	113.6	104.3
Accrued interest . . . . .	21.1	12.4
Other . . . . .	51.3	50.0
	-----	-----
Total current liabilities . . . . .	338.5	383.8
	-----	-----
DEFERRED CREDITS AND OTHER		
Deferred taxes (Note 3) . . . . .	536.2	232.0
Unamortized investment tax credit . . . . .	84.9	87.4
Other . . . . .	79.7	68.0
	-----	-----
Total deferred credits and other . . . . .	700.8	387.4
	-----	-----
Total Capitalization and Liabilities . . . . .	\$3,214.3	\$2,866.7
	=====	=====

</TABLE>

See Notes to Consolidated Financial Statements.

II-11

The Dayton Power and Light Company

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

-----  
PRINCIPLES OF CONSOLIDATION

The accounts of the Company and its wholly-owned subsidiaries are included in the accompanying consolidated financial statements. The consolidated financial statements principally reflect the results of operations and financial condition of the Company. The results of operations of the Company's subsidiaries currently do not have a material financial impact on the consolidated results.

REVENUES AND FUEL

Revenues include amounts charged to customers through fuel and gas recovery clauses, which are adjusted periodically for changes in such costs. Related costs that are recoverable or refundable in future periods are deferred along with the related income tax effects. Also included in revenues are amounts charged to customers through a surcharge for recovery of

arrears from certain eligible low-income households.

The Company records revenue for services provided but not yet billed to more closely match revenues with expenses. "Accounts Receivable" on the Consolidated Balance Sheet includes unbilled revenue of (in millions) \$30.0 in 1993 and \$27.8 in 1992.

#### ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION ("AFC")

AFC represents the cost of capital funds (equity and debt) used to finance construction projects. This cost is included in construction work in progress along with other construction costs. Essentially all AFC ceased upon completion of the William H. Zimmer Generating Station ("Zimmer") in March 1991. The average rate for 1991 was 10.3%, compounded semi-annually, net of income taxes.

#### OPERATING AND ADMINISTRATIVE

Operating and administrative expense includes \$22.8 million in 1993 and \$9.1 million in 1992 of redemption premiums and other costs relating to the refinancing of various bond issues. (See Note 5.)

II-12

#### PROPERTY AND PLANT, MAINTENANCE AND DEPRECIATION

Property and plant is shown at its original cost. When a unit of property is retired, the original cost of that property plus the cost of removal less any salvage value is charged to accumulated depreciation. Maintenance costs and replacements of minor items of property are charged to expense.

Depreciation expense is calculated using the straight-line method, which depreciates the cost of property over its estimated useful life, at an annual rate which approximates 3.4% for 1993, 1992 and 1991.

#### INCOME TAXES

In 1993, the Company implemented Financial Accounting Standards Board ("FASB") Statement No. 109, "Accounting for Income Taxes." The new statement requires a change from the deferral method to the liability method for income tax accounting. Under the liability method, deferred taxes are provided for all differences between the financial statement basis and the tax basis of assets and liabilities using the enacted tax rate. Additional deferred income taxes and offsetting regulatory assets or liabilities are recorded to recognize that the income taxes will be recoverable/refundable through future revenues. (See Note 3.)

#### CONSOLIDATED STATEMENT OF CASH FLOWS

The temporary cash investments presented on this Statement consist of liquid investments with an original maturity of three months or less.

#### FAIR VALUE OF FINANCIAL INSTRUMENTS

The reported value of short-term financial instruments and other investments on the balance sheet approximates fair value. The long-term debt and preferred stock fair values are disclosed in Notes 5 and 9, respectively.

#### RECLASSIFICATIONS

Reclassifications have been made in certain prior years' amounts to conform to the current reporting presentation.

II-13

2. ELECTRIC RATE MATTERS

-----

Pursuant to a PUCO-approved settlement agreement among the Company and various consumer groups, an electric rate increase was phased in with annual increases of 6.4% effective February 1992, January 1993 and January 1994. Deferrals (including carrying charges) during the phase-in period of \$28.1 million in 1993 and \$57.7 million in 1992 were capitalized and will be recovered over seven years commencing in 1994. The phase-in plan meets the requirements of FASB Statement No. 92.

This settlement included an agreement by the Company to undertake cost-effective demand-side management ("DSM") programs with an average annual cost of \$15 million for four years commencing in 1992. The amount recovered in rates was \$4.6 million in 1992. This amount increases to \$7.8 million in 1993 and subsequent years. The difference between expenditures and amounts recovered through rates is deferred and is eligible for future recovery in accordance with existing PUCO rulings.

The agreement established a baseline return on equity of 13% (subject to upward adjustment). In the event that the return exceeds the allowed return by between one to two percent, then one half of the excess return will be used to reduce the cost of DSM programs, and any return that exceeds the allowed return by more than two percent will be entirely credited to these programs.

The Company also deferred interest charges, net of income taxes, on its investment in Zimmer from the March 30, 1991, commercial in-service date through January 31, 1992, pursuant to PUCO approval. Deferred interest charges on the investment in Zimmer have been adjusted to a before tax basis in 1993 as a result of FASB Statement No. 109. Amounts deferred are being amortized over the life of Zimmer.

Regulatory deferrals on the balance sheet were:

	At December 31,	
	1993	1992
	-----	-----
	--millions--	
Phase-in	\$ 85.8	\$ 57.7
DSM	23.3	2.2
Deferred interest-Zimmer	63.7	43.9
	-----	-----
Total	\$172.8	\$103.8
	=====	=====

II-14

3. INCOME TAXES

Adopting FASB Statement No. 109 at January 1, 1993, resulted in an increase in deferred interest-Zimmer (see Note 2) of \$22.6 million and the recognition of income taxes recoverable through future revenues of \$259.6 million. Offsetting these assets is an additional \$282.5 million of deferred tax liabilities.

<TABLE>  
<CAPTION>

\$ in millions	For the years ended December 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
COMPUTATION OF TAX EXPENSE			
Statutory income tax rate . . . . .	35%	34%	34%
Federal income tax (statutory rates applied to pretax income before preferred dividends and before tax expenses included in regulatory deferrals) . . . . .	\$77.0	\$70.4	\$64.5
Increases (decreases) in tax from -			
Regulatory deferrals . . . . .	(6.1)	(12.4)	-
Depreciation . . . . .	10.2	9.3	(0.2)
Investment tax credit amortized . . . . .	(3.0)	(3.0)	(3.3)
Other, net . . . . .	(1.7)	0.9	1.4
Total Tax Expense . . . . .	\$76.4	\$65.2	\$62.4
Effective Tax Rate . . . . .	35%	32%	33%
COMPONENTS OF TAX EXPENSE			
Taxes currently payable . . . . .	54.3	\$31.9	\$43.9
Deferred taxes--			
Regulatory deferrals . . . . .	8.1	9.2	22.2
Liberalized depreciation and amortization . . . . .	17.6	18.6	13.2
Property taxes . . . . .	(6.1)	(5.9)	(4.9)
Fuel and gas costs . . . . .	5.8	10.5	(7.9)
Other . . . . .	(0.8)	4.4	(2.5)
Deferred investment tax credit, net . . . . .	(2.5)	(3.5)	(1.6)
Total Tax Expense . . . . .	\$76.4	\$65.2	\$62.4
CLASSIFICATION OF TAX EXPENSE			
Income taxes . . . . .	\$76.4	\$63.8	\$40.2
Regulatory deferrals . . . . .	-	1.4	22.2
Total Tax Expense . . . . .	\$76.4	\$65.2	\$62.4
COMPONENTS OF DEFERRED TAX ASSETS AND LIABILITIES AT DECEMBER 31, 1993			
Depreciation/property basis . . . . .	\$ (429.6)		
Regulatory deferrals . . . . .	(57.4)		
Income taxes recoverable . . . . .	(93.8)		
Investment tax credit . . . . .	29.7		
Other . . . . .	14.9		
Net non-current liability . . . . .	\$ (536.2)		
Net current liability . . . . .	\$ (13.4)		

</TABLE>

4. PENSIONS AND POSTRETIREMENT BENEFITS

A. PENSIONS

Substantially all Company employees participate in pension plans paid for by



the Company. Employee benefits are based on their years of service, age at retirement and, for salaried employees, their compensation. The plans are funded in amounts actuarially determined to provide for these benefits.

An interest rate of 6.0% was used in 1993 and 1992 in developing the amounts in the following tables. Actual returns on plan assets for 1993 and 1992, respectively, were 6.2% and 8.8%. Increases in compensation levels approximating 5% were used for all years.

The following table presents the components of pension cost (portions of which were capitalized):

\$ in millions -----	1993	1992	1991
<S>	<C>	<C>	<C>
Service cost - benefits earned . . . . .	\$ 5.4	\$ 4.3	\$ 3.5
Interest cost . . . . .	12.0	12.5	11.8
Expected return on plan assets of 7.5% in each year . . . . .	(16.9)	(15.2)	(14.1)
Amortization amounts, net . . . . .	(2.0)	(2.6)	(2.9)
	-----		
Net pension cost . . . . .	\$ (1.5)	\$ (1.0)	\$ (1.7)
	=====		

The following table sets forth the plans' funded status at December 31:

\$ in millions -----	1993	1992
<S>	<C>	<C>
Plan assets at fair value (a) . . . . .	\$255.0	\$236.3
Less -		
Actuarial present value of projected benefit obligation . . . . .	230.6	210.5
	-----	
Plan assets in excess of projected benefit obligation . . . . .	\$ 24.4	\$ 25.8
	=====	
Vested benefit obligation . . . . .	\$183.9	\$166.2
Accumulated benefit obligation without projected salary increases . . . . .	\$207.4	\$187.1

(a) Invested in guaranteed investment contracts, fixed income investments and equities including \$22.5 million and \$21.6 million of DPL Inc. common stock in 1993 and 1992, respectively.

The following table shows the amounts recorded in Other Assets in the Consolidated Balance Sheet at December 31:

\$ in millions -----	1993	1992
<S>	<C>	<C>
Plan assets in excess of projected benefit obligation . . . . .	\$ 24.4	\$ 25.8
Transitional adjustments for amounts not reflected on the Consolidated Balance Sheet		
Unamortized transition amount . . . . .	(28.0)	(32.1)
Prior service cost . . . . .	22.9	12.0
Changes in plan assumptions and actuarial gains and losses . . . . .	25.1	23.5
	-----	
Net pension assets . . . . .	\$ 44.4	\$ 29.2
	=====	

</TABLE>

B. POSTRETIREMENT BENEFITS

In 1993, the Company adopted FASB Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." Previously, the Company had used

an accrual method to recognize these costs which approximated FASB Statement No. 106 amounts. Implementation did not create regulatory deferrals or have a material impact on expense.

Qualified employees who retired prior to 1987 and their dependents are eligible for health care and life insurance benefits. The unamortized transition obligation associated with these benefits is being amortized over the approximate average remaining life expectancy of the retired employees. Active employees are eligible for life insurance benefits, and this unamortized transition obligation is being amortized over the average remaining service period.

The following table sets forth the accumulated postretirement benefit amounts at December 31:

<TABLE>  
<CAPTION>

\$ in millions - -----	1993 -----
<S>	<C>
Accumulated postretirement benefit obligation	
- retirees and dependents . . . . .	\$63.1
- active employees . . . . .	1.2
	-----
Total	64.3
Unamortized transition obligation . . . . .	27.7
	-----
Accrued postretirement benefit liability . . . . .	\$36.6
	=====

The following table presents the components of postretirement benefit costs:

\$ in millions - -----	1993 -----
Interest cost . . . . .	\$ 3.7
Amortization of transition obligation . . . . .	3.0
	-----
Net periodic postretirement benefit cost . . . . .	\$ 6.7
	=====

</TABLE>

The assumed health care cost trend rate used in measuring the unfunded accumulated postretirement benefit obligation is 15% for 1993 and decreases to 8% by 2004. A one percentage point increase in each future year's assumed health care trend rate would increase net periodic postretirement benefit cost by \$0.4 million annually and would increase the accumulated postretirement benefit obligation by \$6.4 million. The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 6.0%.

<TABLE>  
<CAPTION>

-----  
5. LONG-TERM DEBT

\$ in millions  
-----

At December 31,  
1993                      1992  
-----

First mortgage bonds maturing:

<S>	<C>	<C>
1997                      5-5/8% . . . . .	\$ 40.0	\$ 40.0
1998                      7.06% and 7.22% (a) . . . . .	29.0	31.7
1999-2003                8.41% and 8.51% (a) . . . . .	49.0	210.0
2022-2026                8.14% and 8.67% (a) . . . . .	671.0	450.0
Pollution control series maturing through 2027 - 7.97% . . . . .	218.8	219.1
	-----	-----
	1,007.8	950.8
Unamortized debt discount and premium (net) . . . . .	(2.5)	(6.5)
	-----	-----
	1,005.3	944.3
Mortgage note due in installments through 2012-10.0% . . . . .	7.6	7.8
	-----	-----
Total . . . . .	\$1,012.9	\$ 952.1
	=====	=====
Fair value (including current portion)-based upon quoted market price or debt with similar characteristics . . . . .	\$1,090.9	\$1,066.2

(a) Weighted average interest rates for 1993 and 1992, respectively.

</TABLE>

The amounts of maturities and mandatory redemptions for first mortgage bonds are (in millions) \$4.7 in 1994, 1995 and 1996, \$44.8 in 1997 and \$25.4 in 1998. Substantially all property and plant of the Company is subject to the mortgage lien securing first mortgage bonds.

New debt was issued during 1993 as follows:

Issuances -----	Principal Amount (\$ in millions) -----
--------------------	---

First Mortgage Bonds:

8.15% Series due 2026	\$226.0
7-7/8% Series due 2024	220.0
	-----
Total	\$446.0

Proceeds of these financings were used to call several series of bonds and to repay short-term debt. There are no sinking fund provisions associated with any of these new debt issues.

-----  
6. NOTES PAYABLE AND COMPENSATING BALANCES

DPL Inc., the Company's parent company, has \$200 million available through a revolving credit agreement. This agreement with a consortium of banks is renewable through 1998. Commitment fees are approximately \$350,000 per year, depending upon the aggregate unused balance of the loan. At December 31, 1993, DPL Inc. had no outstanding borrowings under this credit agreement.

The Company also has \$97.1 million available in short-term informal lines of credit. To support these lines of credit, the Company is required to maintain

average daily compensating balances of approximately \$700,000 and also pay \$189,000 per year in fee compensation. At year-end, the Company had \$10 million outstanding from these lines of credit at a weighted average interest rate of 3.68% and \$15 million in commercial paper outstanding at a weighted average interest rate of 3.34%.

-----  
 7. COMMONLY OWNED FACILITIES

The Company owns certain electric generating and transmission facilities as tenants in common with other Ohio utilities. Each utility is obligated to pay its ownership share of construction and operation costs of each facility. As of December 31, 1993, the Company had \$12.3 million of commonly owned facilities under construction. The Company's share of expenses is included in the Consolidated Statement of Results of Operations.

The following table represents the Company's share of the commonly owned facilities:

<TABLE>  
 <CAPTION>

	Company Share		Investment
	Ownership	Production Capacity	Plant in Service
	(%)	(MW)	(\$ in millions)
<S>	<C>	<C>	<C>
Production Units:			
Beckjord Unit 6 . . . . .	50.0	210	50
Conesville Unit 4 . . . . .	16.5	129	29
East Bend Station . . . . .	31.0	186	147
Killen Station . . . . .	67.0	402	405
Miami Fort Units 7 & 8 . . . . .	36.0	360	112
Stuart Station . . . . .	35.0	820	226
Zimmer Generating Station . . . . .	28.1	365	985
Transmission (at varying percentages) . . . . .			66

</TABLE>

<TABLE>  
 <CAPTION>

-----  
 8. COMMON SHAREHOLDER'S EQUITY

\$ in millions	Common Stock (a)		Other Paid-in Capital (premium, net of expense)	Earnings Reinvested in the Business	Total
	Outstanding Shares	Amount			
<S>	<C>	<C>	<C>	<C>	<C>

1991:						
Beginning Balance . . . . .	41,172,173	\$ 0.4	\$674.6	\$315.0	\$ 990.0	
Net income . . . . .				127.4	127.4	
Common stock dividends . . . . .				(111.8)	(111.8)	
Preferred stock dividends . . . . .				(9.7)	(9.7)	
Other . . . . .			0.2	(0.2)	-	
Ending balance . . . . .	41,172,173	\$ 0.4	\$674.8	\$320.7	\$ 995.9	
1992:						
Net income . . . . .				142.0	142.0	
Common stock dividends . . . . .				(103.6)	(103.6)	
Preferred stock dividends . . . . .				(9.4)	(9.4)	
Other . . . . .			0.2	(3.1)	(2.9)	
Ending balance . . . . .	41,172,173	\$ 0.4	\$675.0	\$346.6	\$1,022.0	
1993:						
Net income . . . . .				143.6	143.6	
Common stock dividends . . . . .				(107.7)	(107.7)	
Preferred stock dividends . . . . .				(8.7)	(8.7)	
Other . . . . .			0.2	(0.2)	-	
Ending balance . . . . .	41,172,173	\$ 0.4	\$675.2	\$373.6	\$1,049.2	

(a) 50,000,000 shares authorized

</TABLE>

II-20

<TABLE>  
<CAPTION>

9. PREFERRED STOCK

\$25 par value, 4,000,000 shares authorized, no shares outstanding; and \$100 par value, 4,000,000 shares authorized, 1,170,998 shares outstanding.

Series/ Rate	Current Redemption Price	Current Shares Outstanding	Without Mandatory Redemption Provisions		With Mandatory Redemption Provisions (a)	
			At December 31, 1993 (millions)	1992	At December 31, 1993 (millions)	1992
<S>	<C>	<C>	<C>	<C>	<C>	<C>
A 3.75%	\$102.50	93,280	\$ 9.3	\$ 9.3		
B 3.75%	\$103.00	69,398	7.0	7.0		
C 3.90%	\$101.00	65,830	6.6	6.6		

D 7.48%	\$103.23	150,000	15.0	15.0		
E 7.70%	\$101.00	199,990	20.0	20.0		
F 7.375%	\$101.00	250,000	25.0	25.0		
H 8-5/8%	\$101.00	120,000			\$12.0	\$16.0
I 9-3/8%	\$104.00 (b)	180,000			18.0	22.5
Total . . . . .			\$82.9	\$82.9	\$30.0	\$38.5
Fair value (including current portion)- based upon quoted market prices . . .					\$34.6	\$44.1

- (a) Exclusive of sinking fund payment due within one year.  
(b) Prior to May 1, 1994 and \$101.00 thereafter.

</TABLE>

The shares without mandatory redemption provisions may be redeemed at the option of the Company at the per share prices indicated, plus accrued dividends.

The shares with mandatory redemption provisions are redeemable pursuant to mandatory sinking fund requirements, but may also be redeemed at the option of the Company at the per share prices indicated, plus accrued dividends. The annual sinking fund requirements for Series H and I are 5% of the original amount of each issue. Over the next five years, mandatory redemptions are \$4.3 million (42,500 shares) per year. Shares redeemed or purchased to meet sinking fund requirements may not be reissued.

Sinking fund requirements and redemptions of outstanding shares were 85,000 shares in 1993 and 42,500 in 1992 and 1991.

II-21

<TABLE>  
<CAPTION>

10. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

\$ in millions	For the years ended December 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
Net income . . . . .	\$143.6	\$142.0	\$127.4
Adjustments for non-cash items:			
Depreciation and amortization . . . . .	109.0	104.4	94.2
Deferred income taxes . . . . .	22.1	31.9	(3.6)
Allowance for equity funds used during construction . . . . .	(0.2)	(0.2)	(18.5)
Regulatory deferrals . . . . .	(25.8)	(58.7)	(43.0)
Changes in working capital:			
Accounts receivable and unbilled revenue . . . . .	(3.8)	(0.3)	4.0
Accounts payable . . . . .	23.4	(1.5)	(16.9)
Deferred gas costs . . . . .	(7.9)	(28.8)	9.7
Accrued interest . . . . .	8.7	(4.4)	0.1
Other . . . . .	11.9	(11.6)	11.8
DSM deferred costs . . . . .	(23.3)	(2.2)	-

Other operating activities . . . . .	(11.5)	0.4	21.1
Net cash provided by operating activities . . . . .	\$246.2	\$171.0	\$186.3

</TABLE>

<TABLE>  
<CAPTION>

-----  
11. FINANCIAL INFORMATION BY BUSINESS SEGMENTS

\$ in millions	For the years ended December 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
Utility service revenues			
Electric . . . . .	\$ 901.3	\$ 809.3	\$ 790.7
Gas . . . . .	245.1	203.8	201.0
Other . . . . .	7.3	6.7	6.3
Total utility service revenues . . . . .	1,153.7	1,019.8	998.0
Interest and other income . . . . .	11.5	3.5	4.1
Total income . . . . .	\$1,165.2	\$1,023.3	\$1,002.1
Operating profit before tax			
Electric . . . . .	\$ 282.2	\$ 224.3	\$ 193.5
Gas . . . . .	19.9	22.1	0.7
Other . . . . .	3.7	2.2	(1.1)
Total operating profit before tax . . . . .	305.8	248.6	193.1
Other income, net (a) . . . . .	11.6	51.5	67.6
Interest expense . . . . .	97.4	94.3	93.1
Operating income . . . . .	\$ 220.0	\$ 205.8	\$ 167.6

Depreciation and amortization			
Electric . . . . .	\$ 102.4	\$ 97.9	\$ 87.9
Gas . . . . .	5.7	5.6	6.0
Other . . . . .	0.9	0.9	0.3
	-----		
Total depreciation and amortization . . . . .	\$ 109.0	\$ 104.4	\$ 94.2
	=====		
Construction additions			
Electric . . . . .	\$ 66.3	\$ 46.6	\$ 103.4
Gas . . . . .	11.9	11.0	12.4
Other . . . . .	0.3	0.1	0.5
	-----		
Total construction additions . . . . .	\$ 78.5	\$ 57.7	\$ 116.3
	=====		
Assets			
Electric . . . . .	\$2,825.5	\$2,522.8	\$2,521.1
Gas . . . . .	236.0	219.5	217.6
Other (b) . . . . .	152.8	124.4	112.8
	-----		
Total assets at year end . . . . .	\$3,214.3	\$2,866.7	\$2,851.5
	=====		

(a) Includes primarily interest income, AFC, regulatory deferrals and bond redemption costs.

(b) Includes primarily cash, temporary cash investments, and certain deferred items.

</TABLE>

II-23

<TABLE>  
<CAPTION>

SELECTED QUARTERLY INFORMATION

\$ in millions	For the three months ended							
	March 31,		June 30,		September 30,		December 31,	
	1993	1992	1993	1992	1993	1992	1993	1992
	\$	\$	\$	\$	\$	\$	\$	\$
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Utility service revenues . . . . .	346.4	286.6	238.7	226.1	262.6	224.0	306.0	283.1
Income before income taxes . . . . .	81.9	74.1	47.2	46.6	56.2	47.5	34.7	37.6
Net income . . . . .	54.8	50.3	32.5	31.8	34.3	32.5	22.0	27.4
Earnings on common stock . . . . .	52.5	47.9	30.4	29.5	32.2	30.2	19.8	25.0
Dividends paid . . . . .	26.9	25.9	26.9	25.9	27.0	25.9	27.0	25.9



</TABLE>

<TABLE>  
<CAPTION>

FINANCIAL AND STATISTICAL SUMMARY

	1993	1992	1991	1990	1989
-----					
<S>	<C>	<C>	<C>	<C>	<C>
FOR THE YEARS ENDED DECEMBER 31,					
Utility service revenues (millions) . . .	\$ 1,153.7	1,019.8	998.0	948.0	956.3
Earnings on common stock (millions) . . .	\$ 134.9	132.6	117.7	152.0	133.7
Earnings per share of common stock . . . .	\$ 3.28	3.22	2.86	3.69	3.25
Dividends paid (millions) . . . . .	\$ 107.8	103.6	111.8	82.3	93.5
Electric sales (millions of kWh)--					
Residential . . . . .	4,558	4,260	4,571	4,125	4,321
Commercial . . . . .	3,006	2,896	2,945	2,738	2,717
Industrial . . . . .	4,089	3,938	3,949	3,958	3,774
Other . . . . .	3,023	2,960	1,850	1,807	1,772
Total . . . . .	14,676	14,054	13,315	12,628	12,584
Gas sales (thousands of MCF)--					
Residential . . . . .	28,786	27,723	26,594	25,486	29,917
Commercial . . . . .	8,468	8,642	8,368	8,259	9,125
Industrial . . . . .	3,056	4,914	6,014	5,934	6,670
Other . . . . .	3,171	3,402	3,187	3,076	3,347
Transportation gas delivered . . . . .	13,401	10,811	8,494	8,093	7,252
Total . . . . .	56,882	55,492	52,657	50,848	56,311
AT DECEMBER 31,					
Total assets (millions) . . . . .	\$ 3,214.3	2,866.7	2,851.5	2,800.7	2,668.0
Long-term debt and preferred stock with mandatory redemption provisions (millions) . . . . .	\$ 1,042.9	990.6	1,039.2	1,047.5	1,055.9
First mortgage bond ratings--					
Duff & Phelps, Inc. . . . .	AA-	A+	BBB+	BBB+	BBB+
Moody's Investors Service . . . . .	A2	A2	A3	A3	A3
Standard & Poor's Corporation . . . . .	A	A	BBB+	BBB+	BBB+

NUMBER OF SHAREHOLDERS					
Preferred . . . . .	1,873	1,969	2,034	2,100	2,166

</TABLE>

II-25

Report of Independent Accountants  
 -----

To the Board of Directors and Shareholder of The Dayton Power and Light Company

In our opinion, the consolidated financial statements listed in the index, appearing under Item 8 on page II-7 of this Form 10-K, present fairly, in all material respects, the financial position of The Dayton Power and Light Company and its subsidiaries at December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. These consolidated financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for income taxes in 1993.

Price Waterhouse  
 Dayton, Ohio  
 January 25, 1994

Report of Independent Accountants  
on Financial Statement Schedules  
-----

To the Board of Directors of The Dayton Power and Light Company

Our audits of the consolidated financial statements of The Dayton Power and Light Company and its subsidiaries referred to in our report dated January 25, 1994 appearing on page II-26 of this Annual Report on Form 10-K also included an audit of the Financial Statement Schedules listed in Item 14(a) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

Price Waterhouse  
Dayton, Ohio  
January 25, 1994

Item 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS  
ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III  
-----

Item 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE  
REGISTRANT

The Board is presently authorized to consist of nine directors. These nine directors are also directors of DPL Inc., the holding company of the Company. Eight incumbent directors plus one new nominee are to be elected this year to serve until 1995 or until their successors are duly elected and qualified. Should any nominee become unable to accept nomination or election, the Board will vote for the election of such other person as a director as the present directors may recommend in the place of such nominee.

Dr. Robert J. Kegerreis will be retiring as a Director in April 1994. Dr. Kegerreis, the President Emeritus of Wright State University, has served as a Director since 1975, making significant and lasting contributions during the most challenging and successful period of the Company's history. We offer our sincere appreciation to Dr. Kegerreis on behalf of all of our Shareholders, Directors, Customers and Employees and wish him well in his future endeavors.

Mr. David R. Holmes will stand for election to his first term as a member of the Board. Mr. Holmes is Chairman, President and Chief Executive Officer of The Reynolds and Reynolds Company in Dayton, Ohio. The Reynolds and Reynolds Company is a leading supplier of information management systems, including business forms and computer systems for automotive, professional, medical and general markets. His business experience and community leadership will be a valuable asset to the Board.

III-1

The following information regarding the nominees is based on information furnished by them:

Principal Occupation and Other Information -----	Director Since -----
Incumbent Directors -----	
THOMAS J. DANIS, Age 44 Former Chairman and Chief Executive Officer, The Danis Companies, Dayton, Ohio, construction, real estate and environmental services. Trustee: University of Dayton, Dayton Business Committee, Dayton Foundation. Member: Area Progress Council.	1989
JAMES F. DICKE, II, Age 48 President, Crown Equipment Corporation, New Bremen, Ohio, international manufacturer and distributor of electric lift trucks and material handling products. Director: Regional Boys and Girls Clubs of America, Plaid Holdings Company.	1990

Treasurer: Trinity University Board of  
Trustees.  
Secretary: Culver Educational Foundation.

PETER H. FORSTER, Age 51 1979  
Chairman, President and Chief Executive Officer,  
DPL Inc.; Chairman, The Dayton Power and Light Company.  
Chairman: Miami Valley Research Foundation.  
Director: Bank One, Dayton, NA, Amcast  
Industrial Corp., Comair Holdings, Inc.  
Trustee: F. M. Tait Foundation,  
MedAmerica Health Systems Corp., Dayton Business  
Committee, Arts Center Foundation.

ERNIE GREEN, Age 55 1991  
President and Chief Executive Officer, Ernie Green  
Industries, Dayton, Ohio, automotive components  
manufacturer.  
Director: Bank One, Dayton, NA, Day-Med Health  
Maintenance Plan, Inc., WPTD-TV, The Duriron  
Company.  
Trustee: Central State University, Dayton Area  
Chamber of Commerce, YMCA, Childrens Medical Center,  
The Ronald McDonald Childrens Charities.

III-2

JANE G. HALEY, Age 63 1978  
President, Gosiger, Inc., Dayton, Ohio,  
national importer and distributor  
of machine tools.  
Director: Society Bank, NA, Advisory  
Board, Dayton, Ohio.  
Trustee: University of Dayton, Chaminade-  
Julienne High School, Dayton, Ohio.  
Member: Area Progress Council.

ALLEN M. HILL, Age 48 1989  
President and Chief Executive Officer,  
The Dayton Power and Light Company.  
Director: Citizens Federal Bank, F.S.B.,  
Dayton Boys/Girls Club, Miami Valley  
Regional Planning Commission, Ohio Electric  
Utility Institute.  
Trustee: The University of Dayton, Hipple Cancer  
Research Center.

W AUGUST HILLENBRAND, Age 53 1992  
President and Chief Executive Officer, Hillenbrand  
Industries, Batesville, Indiana, a diversified  
public holding company with seven wholly-owned and  
autonomously operated subsidiaries manufacturing  
caskets, hospital furniture, hospital supplies,  
luggage and high-tech security locks and providing  
funeral planning services.  
Director: Forecorp, Inc., Forethought Life  
Insurance Company.  
Trustee: Denison University, National  
Committee for Quality Health Care, Batesville  
Girl Scouts.

BURNELL R. ROBERTS, Age 66 1987  
Chairman, Sweetheart Holdings, Inc.  
Retired Chairman of the Board and Chief Executive  
Officer, The Mead Corporation, Dayton, Ohio,  
forest products and electronic publishing.  
Director: Armco, Inc., National City Corporation,  
The Perkin-Elmer Corporation, Universal Protective

Plastics, Inc.  
Trustee: Japan Society.

III-3

Nominated for Election at 1994 Annual Meeting of Shareholders  
-----

DAVID R. HOLMES, Age 53

Chairman, President and Chief Executive  
Officer, The Reynolds and Reynolds Company,  
Dayton, Ohio, information management systems.  
Director: Bank One, Dayton, NA.  
Advisor: J.L. Kellogg Graduate School of  
Management, Northwestern University.  
Co-Chair: Downtown Dayton Partnership.  
Member: Dayton Business Committee, Area  
Progress Council.

III-4

<TABLE>  
<CAPTION>

EXECUTIVE OFFICERS OF THE REGISTRANT  
(As of March 1, 1994)

Name	Age	Business Experience, Last Five Years (Positions with Registrant Unless Otherwise Indicated)	Dates
<S>	<C>	<C>	<C>
Peter H. Forster	51	Chairman Chairman, President and Chief Executive Officer, DPL Inc. Chairman and Chief Executive Officer	4/06/92 - 3/01/94 4/05/88 - 3/01/94 8/02/88 - 4/06/92
Allen M. Hill	48	President and Chief Executive Officer President and Chief Operating Officer	4/06/92 - 3/01/94 8/02/88 - 4/06/92
Paul R. Anderson	51	Controller Controller, DPL Inc.	4/12/81 - 3/01/94 4/10/86 - 4/10/89
Stephen P. Bramlage	47	Assistant Vice President Director, Service Operations Manager, Engineering	1/01/94 - 3/01/94 10/29/89 - 1/01/94 5/26/87 - 10/29/89
Robert E. Buerger	49	Group Vice President Group Vice President - Service Operations, DPL Inc. and the Company	4/24/89 - 3/01/94 12/04/86 - 4/24/89
Robert M. Combs	48	Treasurer Director, J. M. Stuart Electric Generating Station United States Navy Production Officer, Charleston Naval Shipyard	3/17/93 - 3/01/94 9/16/91 - 3/17/93 8/01/88 - 9/16/91
Georgene H. Dawson	44	Assistant Vice President Director, Service Operations Service Center Manager Manager, Environmental Management	1/01/94 - 3/01/94 4/03/92 - 1/01/94 6/11/89 - 4/03/92 6/14/87 - 6/11/89

</TABLE>

III-5

<TABLE>  
<CAPTION>

EXECUTIVE OFFICERS OF THE REGISTRANT  
(As of March 1, 1994)

Name	Age	Business Experience, Last Five Years (Positions with Registrant Unless Otherwise Indicated)	Dates
<S>	<C>	<C>	<C>
Jeanne S. Holihan	37	Assistant Vice President Treasurer Director, Financial Administration and Planning Manager, Financial Administration and Planning Manager, Financial Analysis and Investor Relations	3/17/93 - 3/01/94 11/06/90 - 3/17/93 4/01/90 - 11/06/90 4/02/89 - 4/01/90 4/07/85 - 4/02/89
Thomas M. Jenkins	42	Group Vice President, Group Vice President and Treasurer, DPL Inc. Vice President and Treasurer, DPL Inc. and the Company	11/06/90 - 3/01/94 11/01/88 - 11/06/90
Stephen F. Koziar, Jr.	49	Group Vice President, DPL Inc. and the Company	12/10/87 - 3/01/94
Judy W. Lansaw	42	Group Vice President and Secretary, DPL Inc. and the Company Vice President and Secretary, DPL Inc. and the Company Corporate Secretary, DPL Inc. and the Company	12/07/93 - 03/01/94 08/01/89 - 12/07/93 11/01/88 - 8/01/89
Lloyd E. Lewis, Jr.	67	Assistant Vice President	12/08/83 - 3/01/94
Bryce W. Nickel	37	Assistant Vice President Director, Service Operations Service Center Manager	1/01/94 - 3/01/94 10/29/89 - 1/01/94 4/19/87 - 10/29/89
H. Ted Santo	43	Group Vice President Vice President	12/08/92 - 3/01/94 2/28/88 - 12/08/92

</TABLE>

III-6

Item 11 - EXECUTIVE COMPENSATION

COMPENSATION OF DIRECTORS

Directors of the Company who are not employees receive \$12,000 annually for services as a director, \$600 for attendance at a Board meeting, and \$500 for attendance at a committee meeting or operating session, of DPL Inc. and the Company. Members of the Executive Committee of DPL Inc. receive \$2,000 annually for services on that committee. Each committee chairman receives an additional \$1,600 annually. Directors who are not employees of the Company also participate in a Directors' Deferred Stock



Compensation Plan (the "Stock Plan") under which a number of DPL Inc. common shares are awarded to directors each year. All shares awarded under the Stock Plan are transferred to a grantor trust (the "Master Trust") maintained by DPL Inc. to secure its obligations under various directors' and officers' deferred and incentive compensation plans. Receipt of the shares or cash equal to the value thereof is deferred until the participant retires as a director or until such other time as designated by the participant and approved by the Compensation and Management Review Committee (the "Committee") of DPL Inc. In the event of a change of control (as defined in the Stock Plan), the authority and discretion which is exercisable by the Committee, will be exercised by the trustees of the Master Trust. In April 1993, each non-employee director was awarded 1,400 shares.

DPL Inc. maintains a Deferred Compensation Plan (the "Compensation Plan") for non-employee directors of DPL Inc. and the Company in which payment of directors' fees may be deferred. The Compensation Plan also includes a supplementary deferred income program which provides that DPL Inc. will match \$5,000 annually of deferred directors' fees for a maximum of ten years. Under the supplementary program, a \$150,000 death benefit is provided until such director ceases to participate in the Compensation Plan. Under the standard deferred income program directors are entitled to receive a lump sum payment or payments in approximately equal installments over a ten-year period. A director may elect payment in either cash or common shares. Participants in the supplementary program are entitled to receive deferred payments over a ten-year period in equal installments. The Compensation Plan provides that in the event of a change in control of DPL Inc., as defined in the Compensation Plan, all benefits provided under the supplementary deferred income program become immediately vested without the need for further contributions by the participants and the discretion which, under the Compensation Plan, is exercisable by the Chief Executive Officer of DPL Inc. will be exercised by the trustees of the Master Trust. If the consent of the Chief Executive Officer of DPL Inc. is obtained, individuals who have attained the age of 55 and who are no longer directors of DPL Inc. or the Company may receive a lump sum payment of amounts credited to them under the supplementary deferred income program.

III-7

EXECUTIVE OFFICER COMPENSATION

Summary Compensation Table

Set forth below is certain information concerning the compensation of the Chief Executive Officer and each of the other four most highly compensated executive officers of the Company for the last three fiscal years, for services rendered in all capacities to the Company and its subsidiaries, DPL Inc., and the other subsidiaries of DPL Inc.

<TABLE>  
<CAPTION>

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation	All Other Compensation (3)
		Salary (\$)	Bonus (1) (\$)	Restricted Stock Unit Awards (2) (\$)	
-----	----	-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>	<C>
Peter H. Forster	1993	496,000	298,000	580,000 ('94-96)	1,000
Chairman	1992	496,000	298,000	436,000 ('93-95)	0
	1991	468,000	281,000	435,000 ('92-94)	0
Allen M. Hill	1993	315,000	193,000	249,000 ('94-96)	1,000
President and Chief	1992	294,000	180,000	183,000 ('93-95)	0
Executive Officer	1991	248,000	150,000	248,000 ('92-94)	0
Stephen F. Koziar, Jr.	1993	189,000	86,000	103,000 ('94-96)	1,000
Group Vice President	1992	181,000	83,000	86,000 ('93-95)	0
	1991	174,000	61,000	108,000 ('92-94)	0
Thomas M. Jenkins	1993	172,000	81,000	188,000 ('94-96)	1,000
Group Vice President	1992	150,000	72,000	150,000 ('93-95)	0
	1991	140,000	53,000	128,000 ('92-94)	0
H. Ted Santo	1993	151,000	73,000	192,000 ('94-96)	1,000
Group Vice President	1992	129,000	64,000	153,000 ('93-95)	0
	1991	117,000	48,000	105,000 ('92-94)	0

</TABLE>

- (1) Amounts in this column represent awards made under the Management Incentive Compensation Program ("MICP"). Awards are based on achievement of specific predetermined operating and management goals in the year indicated and paid in the year earned or in the following year.

III-8

- (2) Amounts shown in this column have not been paid, but are contingent on performance and represent the dollar value of restricted stock incentive units ("SIU's") awarded to the named executive officer under the Management Stock Incentive Plan ("MSIP") based on the closing price of a DPL Inc. common share on the New York Stock Exchange--Consolidated Transactions Tape on the date of award. SIU's awarded for 1992 and 1993 vest only to the extent that the DPL Inc. average return on equity ("ROE") over a three-year performance period is above the RRA industry median.

Depending on the performance of DPL Inc., these SIU's vest in amounts ranging from 0% to 100% of the target award at an ROE between 0 and 100 basis points above median ROE and from 100% to 150% of target award at an ROE between 100 and 200 basis points above median ROE. No units vest if the three-year average ROE is below 10%. Amounts shown for 1992 and 1993 reflect target awards. Amounts shown for 1991 represent the annual pro rata portion of SIU's earned over the eight-year period from inception of the MSIP in 1984 through 1991, including the pro rata portion of supplemental SIU awards made in 1991 to the named executive officers in recognition of corporate performance over the eight-year period. For each SIU which vests, a participant receives the cash equivalent of one DPL Inc. common share plus dividend equivalents from the date of award. Prior to payout at retirement, an individual may elect to convert a portion of vested SIU's to a cash equivalent and accrue interest thereon. As of December 31, 1993, the aggregate target number and value (based on the closing price of a DPL Inc. common share on the NYSE--Consolidated Transactions Tape on December 31, 1993) of unearned restricted SIU's contingently awarded to each named executive officer was as follows: Mr. Forster, 75,800 (\$1,563,000); Mr. Hill, 36,612 (\$755,000); Mr. Koziar, 14,911 (\$307,000); Mr. Jenkins 25,640

(\$528,000); and Mr. Santo, 26,012 (\$536,000). These unearned restricted SIU's may vest in 1994, 1995 and 1996 at 0% to 150% of the target number depending on Company performance during the period from 1992 through 1996. All payouts of vested SIU's under the MSIP are deferred until retirement.

- (3) Amounts in this column represent employer matching contributions on behalf of each named executive under the DP&L Employee Savings Plan made to the DPL Inc. Employee Stock Ownership Plan.

Certain Severance Pay Agreements

DPL Inc. entered into severance pay agreements with each of Messrs. Forster, Hill, Koziar, Jenkins and Santo providing for the payment of severance benefits in the event that the individual's employment with DPL Inc. or its subsidiaries is terminated under specified circumstances within three years after a change in control of DPL Inc. or DP&L (as defined in the agreement). The agreements entered into between 1987 and 1991 require the individuals to remain with DPL Inc. throughout the period during which any change of control is pending in order to help put in place the best plan for the shareholders. The principal severance benefits under each agreement

III-9

include payment of the following: (i) the individual's full base salary and accrued benefits through the date of termination and any awards for any completed or partial period under the MICP and the individual's award for the current period under the MICP (or for a completed period if no award for that period has yet been determined) fixed at an amount equal to his average annual award for the preceding three years; (ii) 300% of the sum of the individual's annual base salary at the rate in effect on the date of termination (or, if higher, at the rate in effect as of the time of the change in control) plus the average amount awarded to the individual under the MCIP for the three preceding years; (iii) all awarded or earned but unpaid SIU's; and (iv) continuing medical, life, and disability insurance. In the event any payments under these agreements are subject to an excise tax under the Internal Revenue Code of 1986, the payments will be adjusted so that the total payments received on an after-tax basis will equal the amount the individual would have received without imposition of the excise tax. The severance pay agreements are effective for one year but are automatically renewed each year unless DPL Inc. or the participant notifies the other one year in advance of its or his intent not to renew. DPL Inc. has agreed to secure its obligations under the severance pay agreements by transferring required payments to the Master Trust.

Pension Plans

The following table sets forth the estimated total annual benefits payable under the Company retirement income plan and the supplemental executive retirement plan to executive officers at normal retirement date (age 65) based upon years of accredited service and final average annual compensation (including base and incentive compensation) for the three highest years during the last ten:

Final Average Annual Earnings	Total Annual Retirement Benefits for Years of Accredited Service	
	10 Years	30 Years
\$ 200,000	\$ 53,000	\$106,000
400,000	110,000	220,000
600,000	167,000	334,000
800,000	224,000	448,000
1,000,000	281,000	562,000

The years of accredited service for the named executive officers are Mr. Forster -- 29 yrs.; Mr. Hill -- 24 yrs.; Mr. Koziar -- 24 yrs.;

Mr. Jenkins -- 16 yrs and Mr. Santo -- 18 years. Years of service under the retirement income plan are capped at 30 years, however, the retirement and supplemental plans, taken together, can provide full benefits after 20 years of accredited service. Benefits shown above are computed on a straight-life annuity basis, are subject to deduction for Social Security benefits and may be reduced by benefits payable under retirement plans of other employers. For each year an individual retires prior to age 62, benefits under the supplemental plan are reduced by 3% or 21% for early retirement at age 55.

III-10

Item 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The Company's stock is beneficially owned by DPL Inc.

Set forth below is information concerning the beneficial ownership of shares of Common Stock of DPL Inc. by each director of the Company as of January 31, 1994.

Name of Director -----	Amount and Nature of Beneficial Ownership (1) -----
Incumbent Directors -----	
Thomas J. Danis	15,923 shares
James F. Dicke, II	56,438 shares
Peter H. Forster	21,416 shares
Ernie Green	12,404 shares
Jane G. Haley	23,414 shares
Allen M. Hill	19,646 shares
W August Hillenbrand	5,922 shares
Burnell R. Roberts	14,125 shares

Nominated for Election at the  
1994 Annual Meeting of Shareholders  
-----

David R. Holmes	100 shares
-----------------	------------

Set forth below is information concerning the beneficial ownership of shares of Common Stock of DPL Inc. by each executive officer of the Company named in the Summary Compensation Table (other than executive officers who are directors of the Company whose security ownership is found above) as of January 31, 1994.

Name of Executive Officer -----	Amount and Nature of Beneficial Ownership (1) -----
Stephen F. Koziar, Jr.	6,380 shares
Thomas M. Jenkins	5,108 shares
H. Ted Santo	1,430 shares

(1) The number of shares shown represents in each instance less than 1% of the outstanding Common Shares of DPL Inc.

There were 237,749 shares or 0.23% of the total number of Common Shares beneficially owned by all directors and executive officers of DPL Inc. and the Company as a group at January 31, 1994. The number of shares shown for the directors includes Common Shares transferred to the Master Trust for non-employee directors pursuant to the Directors' Deferred Stock Compensation Plan.

Item 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

III-11

PART IV  
-----

Item 14 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents filed as part of the Form 10-K

1. Financial Statements  
-----

See Item 8 - Index to Financial Statements on page II-7, which page is incorporated herein by reference.

2. Financial Statement Schedules  
-----

For the three years in the period ended December 31, 1993:

	Page No. -----
Schedule V - Property and plant	IV-7 - IV-12
Schedule VI - Accumulated depreciation and amortization	IV-13 - IV-15
Schedule VII - Obligations relating to securities of other issuers	IV-16
Schedule VIII - Valuation and qualifying accounts	IV-17
Schedule IX - Short-term borrowings	IV-18
Schedule X - Supplementary income statement information	IV-19

The information required to be submitted in Schedules I, II, III, IV, XI, XII and XIII is omitted as not applicable or not required under rules of Regulation S-X.

IV-1

3. Exhibits  
-----

The following exhibits have been filed with the Securities and Exchange Commission and are incorporated herein by reference.

	Incorporation by Reference -----
2 Copy of the Agreement of Merger among DPL Inc., Holding Sub Inc. and the Company dated January 6, 1986.....	Exhibit A to the 1986 Proxy Statement (File No. 1-2385)
3(a) Regulations and By-Laws of the Company.....	Exhibit 2(e) to Registration Statement No. 2-68136

		to Form S-16.
3(b)	Copy of Amended Articles of Incorporation of the Company dated January 3, 1991.....	Exhibit 3(b) to Report on Form 10-K for the year ended December 31, 1991 (File No. 1-2385)
4(a)	Copy of Composite Indenture dated as of October 1, 1935, between the Company and The Bank of New York, Trustee with all amendments through the Twenty-Ninth Supplemental Indenture.....	Exhibit 4(a) to Report on Form 10-K for year ended December 31, 1985 (File No. 1-2385)
4(b)	Copy of the Thirtieth Supplemental Indenture dated as of March 1, 1982, between the Company and The Bank of New York, Trustee.....	Exhibit 4(h) to Registration Statement No. 33-53906
4(c)	Copy of the Thirty-First Supplemental Indenture dated as of November 1, 1982, between the Company and The Bank of New York, Trustee.....	Exhibit 4(h) to Registration Statement No. 33-56162
4(d)	Copy of the Thirty-Second Supplemental Indenture dated as of November 1, 1982, between the Company and The Bank of New York, Trustee.....	Exhibit 4(i) to Registration Statement No. 33-56162
4(e)	Copy of the Thirty-Third Supplemental Indenture dated as of December 1, 1985, between the Company and The Bank of New York, Trustee.....	Exhibit 4(e) to Report on Form 10-K for year ended December 31, 1985 (File No. 1-2385)
4(f)	Copy of the Thirty-Fourth Supplemental Indenture dated as of April 1, 1986, between the Company and The Bank of New York, Trustee.....	Exhibit 4 to Report on Form 10-Q for quarter ended June 30, 1986 (File No. 1-2385)
IV-2		
4(g)	Copy of the Thirty-Fifth Supplemental Indenture dated as of December 1, 1986, between the Company and The Bank of New York, Trustee.....	Exhibit 4(h) to Report on Form 10-K for the year ended December 31, 1986 (File No. 1-9052)
4(h)	Copy of the Thirty-Sixth Supplemental Indenture dated as of August 15, 1992, between the Company and The Bank of New York, Trustee.....	Exhibit 4(i) to Registration Statement No. 33-53906
4(i)	Copy of the Thirty-Seventh Supplemental Indenture dated as of November 15, 1992, between the Company and The Bank of New York, Trustee.....	Exhibit 4(j) to Registration Statement No. 33-56162
4(j)	Copy of the Thirty-Eighth Supplemental Indenture dated as of November 15, 1992, between the Company and The Bank of New York, Trustee.....	Exhibit 4(k) to Registration Statement No. 33-56162
4(k)	Copy of the Thirty-Ninth Supplemental Indenture dated as of January 15, 1993, between the Company and The Bank of New York, Trustee.....	Exhibit 4(k) to Registration Statement No. 33-57928
4(l)	Copy of the Fortieth Supplemental Indenture dated as of February 15, 1993, between the Company and The Bank of New York, Trustee.....	Exhibit 4(m) to Report on Form 10-K for the year ended December 31, 1992 (File No. 1-2385)
10(a)	Description of Management Incentive	Exhibit 10(d) to Report

Compensation Program for Certain Executive Officers.....	on Form 10-K for the year ended December 31, 1986 (File No. 1-9052)
10(b) Copy of Severance Pay Agreement with Certain Executive Officers.....	Exhibit 10(g) to Report on Form 10-K for the year ended December 31, 1987 (File No. 1-2385)
10(c) Copy of Supplemental Executive Retirement Plan amended August 6, 1991.....	Exhibit 10(f) to Report on Form 10-K for the year ended December 31, 1991 (File No. 1-2385)
18 Copy of preferability letter relating to change in accounting for unbilled revenues from Price Waterhouse.....	Exhibit 18 to Report on Form 10-K for the year ended December 31, 1988 (File No. 1-2385)

IV-3

The following exhibits are filed herewith:

	Page No. -----
10(d) Amended description of Directors' Deferred Stock Compensation Plan effective January 1, 1993.....	
10(e) Amended description of Deferred Compensation Plan for Non-Employee Directors effective January 1, 1993.....	
10(f) Copy of Management Stock Incentive Plan amended January 1, 1993.....	
21 Copy of List of Subsidiaries of the Company...	
(b) Reports on Form 8-K ----- Date of Report -----  February 3, 1993	Items Reported -----  Item 5. Other Events.  Item 7. Financial Statements and Exhibits.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE DAYTON POWER AND LIGHT COMPANY

Registrant

March 15, 1994

Peter H. Forster

-----  
Peter H. Forster  
Chairman

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

P. R. Anderson ----- (P. R. Anderson)	Controller (principal accounting officer)	March 15, 1994
T. J. Danis ----- (T. J. Danis)	Director	March 15, 1994
----- (J. F. Dicke, II)	Director	March , 1994
P. H. Forster ----- (P. H. Forster)	Director and Chairman (principal executive officer)	March 15, 1994
E. Green ----- (E. Green)	Director	March 15, 1994



J. G. Haley	Director	March 15, 1994
-----		
(J. G. Haley)		
A. M. Hill	Director, President and	March 15, 1994
-----		
(A. M. Hill)	Chief Executive Officer	
	Director	March , 1994
-----		
(W A. Hillenbrand)		
T. M. Jenkins	Group Vice President	March 15, 1994
-----		
(T. M. Jenkins)	(principal financial officer)	
	Director	March , 1994
-----		
(R. J. Kegerreis)		
	Director	March , 1994
-----		
(B. R. Roberts)		

IV-6

<TABLE>  
<CAPTION>

Schedule V - 1993  
Page 1 of 2

THE DAYTON POWER AND LIGHT COMPANY  
PROPERTY AND PLANT (1)  
For the year ended December 31, 1993

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
-----	-----	-----	-----	-----	-----
Classification	Balance Beginning of Period	Additions At Cost	Retirements or Sales (2)	Other Changes - Additions (Deductions) (3)	Balance at End of Period
-----	-----Thousands-----				-----
<S>	<C>	<C>	<C>	<C>	<C>

Electric--					
Production . . . . .	\$2,035,059	\$ 19,712	\$ 4,440	\$ 230	\$2,050,561
Transmission . . . . .	234,461	13,130	383	(22)	247,186
Distribution . . . . .	496,015	31,377	3,891	22	523,523
General . . . . .	96,126	4,741	680	(136)	100,051
Plant held for future use (undistributed) . . . . .	2,032	-	-	-	2,032
Acquisition adjustments, being amortized . . . . .	685	-	-	(196)	489
Total electric . . . . .	<u>2,864,378</u>	<u>68,960</u>	<u>9,394</u>	<u>(102)</u>	<u>2,923,842</u>
Gas--					
Production . . . . .	2,954	352	-	-	3,306
Storage . . . . .	2,167	16	-	-	2,183
Distribution . . . . .	217,303	16,233	745	-	232,791
General . . . . .	1,140	442	-	-	1,582
Acquisition adjustments, being amortized . . . . .	284	-	-	(20)	264
Total gas . . . . .	<u>223,848</u>	<u>17,043</u>	<u>745</u>	<u>(20)</u>	<u>240,126</u>
Steam--					
Production . . . . .	9,594	30	27	-	9,597
Distribution . . . . .	4,563	350	25	-	4,888
General . . . . .	69	3	-	211	283
Total steam . . . . .	<u>14,226</u>	<u>383</u>	<u>52</u>	<u>211</u>	<u>14,768</u>
Other property and plant . . . .	<u>17,020</u>	<u>190</u>	<u>-</u>	<u>-</u>	<u>17,210</u>
Total property and plant . . . .	<u>3,119,472</u>	<u>86,576</u>	<u>10,191</u>	<u>89</u>	<u>3,195,946</u>
Construction work in progress . .	<u>42,720</u>	<u>(7,855)</u>	<u>-</u>	<u>960</u>	<u>35,825</u>
Total . . . . .	<u>\$3,162,192</u>	<u>\$ 78,721</u>	<u>\$10,191</u>	<u>\$ 1,049</u>	<u>\$3,231,771</u>

Notes: See Page 2 of 2.

</TABLE>

IV-7

<TABLE>  
<CAPTION>

Schedule V - 1993  
Page 2 of 2

THE DAYTON POWER AND LIGHT COMPANY  
PROPERTY AND PLANT  
NOTES TO PAGE ONE OF SCHEDULE V

For the year ended December 31, 1993

<S> <C>

- (1) See Notes 1 and 7 of Notes to Consolidated Financial Statements of the 1993 Form 10-K Report.
- (2) Retirements are at original cost.

(3) Consists primarily of amortization of acquisition adjustments and other adjustments or transfers between plant accounts.

</TABLE>

IV-8

<TABLE>  
<CAPTION>

Schedule V - 1992  
Page 1 of 2

DAYTON POWER AND LIGHT COMPANY  
PROPERTY AND PLANT (1)  
For the year ended December 31, 1992

COLUMN A ----- Classification -----	COLUMN B ----- Balance Beginning of Period	COLUMN C ----- Additions At Cost	COLUMN D ----- Retirements or Sales (2)	COLUMN E ----- Other Changes - Additions (Deductions) (3)	COLUMN F ----- Balance at End of Period
	-----Thousands-----				
<S>	<C>	<C>	<C>	<C>	<C>
Electric--					
Production . . . . .	\$2,018,716	\$22,759	\$ 6,464	\$ 48	\$2,035,059
Transmission . . . . .	233,495	1,594	530	(98)	234,461
Distribution . . . . .	481,064	18,773	3,920	98	496,015
General . . . . .	97,079	1,188	617	(1,524)	96,126
Plant held for future use (undistributed) . . . . .	1,943	89	-	-	2,032
Acquisition adjustments, being amortized . . . . .	880	-	-	(195)	685
Total electric . . . . .	2,833,177	44,403	11,531	(1,671)	2,864,378

Gas--					
Production . . . . .	2,893	61	-	-	2,954
Storage . . . . .	2,167	-	-	-	2,167
Distribution . . . . .	210,146	8,073	916	-	217,303
General . . . . .	1,136	1	-	3	1,140
Acquisition adjustments, being amortized . . . . .	305	-	-	(21)	284
	-----	-----	-----	-----	-----
Total gas . . . . .	216,647	8,135	916	(18)	223,848
	-----	-----	-----	-----	-----
Steam--					
Production . . . . .	9,458	137	12	11	9,594
Distribution . . . . .	4,555	62	54	-	4,563
General . . . . .	69	-	-	-	69
	-----	-----	-----	-----	-----
Total steam . . . . .	14,082	199	66	11	14,226
	-----	-----	-----	-----	-----
Other property and plant . . .	-	26	-	16,994	17,020
	-----	-----	-----	-----	-----
Total property and plant . .	3,063,906	52,763	12,513	15,316	3,119,472
Construction work in progress .	36,287	4,973	-	1,460	42,720
	-----	-----	-----	-----	-----
Total . . . . .	\$3,100,193	\$57,736	\$12,513	\$16,776	\$3,162,192
	=====	=====	=====	=====	=====

Notes: See Page 2 of 2.

</TABLE>

IV-9

<TABLE>  
<CAPTION>

Schedule V - 1992  
Page 2 of 2

THE DAYTON POWER AND LIGHT COMPANY  
PROPERTY AND PLANT  
NOTES TO PAGE ONE OF SCHEDULE V

For the year ended December 31, 1992

<S> <C>

- (1) See Notes 1 and 3 of Notes to Consolidated Financial Statements of the 1992 Form 10-K Report.
- (2) Retirements are at original cost.
- (3) Consists primarily of consolidation of Company subsidiaries' amortization of acquisition adjustments and other adjustments or transfers between plant accounts.

</TABLE>

IV-10

<TABLE>  
<CAPTION>

Schedule V - 1991  
Page 1 of 2

THE DAYTON POWER AND LIGHT COMPANY  
PROPERTY AND PLANT (1)  
For the year ended December 31, 1991

COLUMN A ----- Classification -----	COLUMN B ----- Balance Beginning of Period -----	COLUMN C ----- Additions At Cost -----	COLUMN D ----- Retirements or Sales (2) -----	COLUMN E ----- Other Changes - Additions (Deductions) (3) -----	COLUMN F ----- Balance at End of Period -----
	-----Thousands-----				
<S>	<C>	<C>	<C>	<C>	<C>
Electric--					
Production . . . . .	\$1,023,875	\$1,001,546	\$ 6,779	\$ 74	\$2,018,716
Transmission . . . . .	221,366	12,420	221	(70)	233,495
Distribution . . . . .	448,452	34,598	1,763	(223)	481,064
General . . . . .	89,217	10,038	1,910	(266)	97,079
Plant held for future use (undistributed) . . . . .	1,944	-	-	(1)	1,943
Acquisition adjustments, being amortized . . . . .	1,076	-	-	(196)	880
Total electric . . . . .	1,785,930	1,058,602	10,673	(682)	2,833,177
Gas--					
Production . . . . .	2,893	-	-	-	2,893
Storage . . . . .	2,167	-	-	-	2,167
Distribution . . . . .	200,658	9,946	489	31	210,146
General . . . . .	1,071	65	-	-	1,136
Acquisition adjustments, being amortized . . . . .	325	(653)	-	633	305
Total gas . . . . .	207,114	9,358	489	664	216,647
Steam--					
Production . . . . .	9,257	221	20	-	9,458
Distribution . . . . .	4,183	481	109	-	4,555
General . . . . .	69	-	-	-	69
Total steam . . . . .	13,509	702	129	-	14,082

Other property and plant . . .	-----	-----	-----	-----	-----
	-	-	-	-	-
Total property and plant . .	2,006,553	1,068,662	11,291	(18)	3,063,906
Construction work in progress .	991,569	(952,316)	-	(2,966)	36,287
	-----	-----	-----	-----	-----
Total. . . . .	\$2,998,122	\$ 116,346	\$11,291	\$ (2,984)	\$3,100,193
	=====	=====	=====	=====	=====

Notes: See Page 2 of 2.

</TABLE>

IV-11

<TABLE>  
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Schedule V - 1991  
Page 2 of 2

THE DAYTON POWER AND LIGHT COMPANY  
PROPERTY AND PLANT  
NOTES TO PAGE ONE OF SCHEDULE V

For the year ended December 31, 1991

<S> <C>

- (1) See Notes 1, 2 and 11 of Notes to Financial Statements of the 1991 Form 10-K Report.
- (2) Retirements are at original cost.
- (3) Consists primarily of amortization of acquisition adjustments and other adjustments or transfers between plant accounts.

</TABLE>

<TABLE>  
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Schedule VI

THE DAYTON POWER AND LIGHT COMPANY  
ACCUMULATED DEPRECIATION AND AMORTIZATION (1)  
For the year ended December 31, 1993

COLUMN A ----- Classification -----	COLUMN B ----- Balance at Beginning of Period -----	COLUMN C ----- Additions Charged to Income -----	COLUMN D ----- Retirements, Renewals and Replacements ----- -----Thousands-----	COLUMN E ----- Other Changes - Additions (Deductions) -----	COLUMN F ----- Balance at End of Period -----
<S>	<C>	<C>	<C>	<C>	<C>
Electric--					
Production . . . . .	\$510,187	\$ 74,134	\$ 4,437	\$ (1,963)	\$577,921
Transmission . . . . .	81,451	5,971	376	(104)	86,942
Distribution . . . . .	137,042	16,015	3,891	(1,728)	147,438
General . . . . .	25,342	3,277	676	1,085	29,028
Plant held for future use (undistributed) . . . . .	253	-	-	23	276
Total electric . . . . .	754,275	99,397	9,380	(2,687)	841,605
Gas . . . . .	90,632	5,748	745	(186)	95,449
Steam . . . . .	8,528	315	53	(22)	8,768
Other . . . . .	4,149	575	-	-	4,724
Total . . . . .	\$857,584	\$106,035 (2)	\$ 10,178	\$ (2,895) (3)	\$950,546

(1) See Note 1 of Notes to Consolidated Financial Statements of the 1993 Form 10-K Report.

<S>	<C>
(2) Additions charged to income--	
Depreciation and amortization expense (per above) . . . . .	\$106,035
Other . . . . .	2,963
Total per Consolidated Statement of Results of Operations . . . . .	\$108,998

(3) Consists of--	
Reclassification of accumulated depreciation to deferred charges . . . . .	(709)
Depreciation and amortization charged to other accounts . . . . .	268
Net removal cost/salvage--	
Removal cost . . . . .	\$(2,310)
Salvage . . . . .	944
Net . . . . .	(1,366)
Adjustments of previously recorded activity . . . . .	146
Adjustments to consolidate the Company's subsidiaries . . . . .	-
Net increase (decrease) in Retirement work in progress . . . . .	(1,234)
Total . . . . .	\$ (2,895)

</TABLE>

<TABLE>  
<CAPTION>

Schedule VI

THE DAYTON POWER AND LIGHT COMPANY  
ACCUMULATED DEPRECIATION AND AMORTIZATION (1)  
For the year ended December 31, 1992

COLUMN A ----- Classification -----	COLUMN B ----- Balance at Beginning of Period -----	COLUMN C ----- Additions Charged to Income -----	COLUMN D ----- Retirements, Renewals and Replacements ----- -----Thousands-----	COLUMN E ----- Other Changes - Additions (Deductions) -----	COLUMN F ----- Balance at End of Period -----
<S>	<C>	<C>	<C>	<C>	<C>
Electric--					
Production . . . . .	\$445,070	\$ 73,340	\$ 6,700	\$ (1,523)	\$510,187
Transmission . . . . .	76,190	5,848	530	(57)	81,451
Distribution . . . . .	127,657	15,186	3,920	(1,881)	137,042
General . . . . .	22,593	3,116	609	242	25,342
Plant held for future use (undistributed) . . . . .	231	-	-	22	253
Total electric . . . . .	671,741	97,490	11,759	(3,197)	754,275
Gas . . . . .	86,113	5,554	916	(119)	90,632
Steam . . . . .	8,289	309	67	(3)	8,528
Other . . . . .	-	551	-	3,598	4,149
Total . . . . .	\$766,143	\$103,904 (2)	\$ 12,742	\$ 279 (3)	\$857,584

(1) See Note 1 of Notes to Consolidated Financial Statements of the 1992 Form 10-K Report.  
<S> <C>

(2) Additions charged to income--  
Depreciation and amortization expense (per above) . . . . . \$103,904  
Other . . . . . 466  
Total per Consolidated Statement of Results of Operations . . . . . \$104,370  
=====

(3) Consists of--  
Reclassification of accumulated depreciation to deferred charges . . . . (524)  
Depreciation and amortization charged to other accounts . . . . . 214  
Net removal cost/salvage--  
Removal cost . . . . . \$(6,606)  
Salvage . . . . . 750  
Net . . . . . (5,856)  
Adjustments of previously recorded activity . . . . . (196)  
Adjustments to consolidate the Company's subsidiaries . . . . . 3,598  
Net increase (decrease) in Retirement work in progress . . . . . 3,043  
Total . . . . . \$ 279  
=====

</TABLE>

<TABLE>  
<CAPTION>

Schedule VI

THE DAYTON POWER AND LIGHT COMPANY  
ACCUMULATED DEPRECIATION AND AMORTIZATION (1)  
For the year ended December 31, 1991



COLUMN A ----- Classification -----	COLUMN B ----- Balance at Beginning of Period -----	COLUMN C ----- Additions Charged to Income -----	COLUMN D ----- Retirements, Renewals and Replacements ----- -----Thousands-----	COLUMN E ----- Other Changes - Additions (Deductions) -----	COLUMN F ----- Balance at End of Period -----
<S>	<C>	<C>	<C>	<C>	<C>
Electric--					
Production . . . . .	\$387,820	\$ 66,216	\$ 6,782	\$ (2,184)	\$445,070
Transmission . . . . .	70,959	5,522	221	(70)	76,190
Distribution . . . . .	122,636	13,033	1,763	(6,249)	127,657
General . . . . .	20,811	2,988	1,910	704	22,593
Plant held for future use (undistributed) . . . . .	207	-	-	24	231
Total electric . . . . .	602,433	87,759	10,676	(7,775)	671,741
Gas . . . . .	80,850	5,972	489	(220)	86,113
Steam . . . . .	8,118	301	129	(1)	8,289
Total . . . . .	\$691,401	\$ 94,032 (2)	\$ 11,294	\$ (7,996) (3)	\$766,143

(1) See Note 1 of Notes to Financial Statements of the 1991 Form 10-K Report.

<S>	<C>
(2) Additions charged to income--	
Depreciation and amortization expense (per above) . . . . .	\$ 94,032
Other . . . . .	179
Total per Statement of Results of Operations . . . . .	\$ 94,211
(3) Consists of--	
Reclassification of accumulated depreciation to deferred charges . . . . .	(888)
Depreciation and amortization charged to other accounts . . . . .	509
Net removal cost/salvage--	
Removal cost . . . . .	\$ (6,232)
Salvage . . . . .	(98)
Net . . . . .	(6,330)
Adjustments of previously recorded activity . . . . .	(8)
Net increase (decrease) in Retirement work in progress . . . . .	(1,279)
Total . . . . .	\$ (7,996)

</TABLE>

IV-15

<TABLE>  
<CAPTION>

Schedule VII - 1993

THE DAYTON POWER AND LIGHT COMPANY  
OBLIGATIONS RELATING TO SECURITIES OF OTHER ISSUERS

At December 31, 1993

<S> <C> <C> <C>

Name of Issuer of Securities	Title of Issue of Each Class of Securities	Amount	Nature of Obligation
County of Boone, Kentucky	Collateralized Pollution Control Revenue Refunding Bonds	\$48 million (1)	Principal plus \$3.1 million of interest

</TABLE>

(1) The Company is obligated to pay the principal of and interest on \$48 million of 6.50% Collateralized Pollution Control Revenue Refunding Bonds Series A Due 2022 issued by Boone County, Kentucky. In December 1992, the Company transferred \$12.7 million of the proceeds from the sale of these bonds to The Cincinnati Gas & Electric Company (CG&E). CG&E is responsible for the payment of the principal and related interest; however the Company retains primary liability for the obligations. This transfer resulted from the reduction of the Company's ownership share in the first unit at the East Bend generating station, commonly owned with CG&E.

IV-16

<TABLE>  
<CAPTION>

Schedule VIII

THE DAYTON POWER AND LIGHT COMPANY  
VALUATION AND QUALIFYING ACCOUNTS

For the year ended December 31, 1993, 1992 and 1991

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
Description	Balance at	Additions		Balance at End of Period
	Beginning of Period	Charged to Income	Other	
-----thousands-----				

<S>	<C>	<C>	<C>	<C>	<C>
1993: Deducted from accounts receivable--					
Provision for uncollectible accounts...	\$ 10,461	\$ 1,353	\$ -	\$2,692	\$ 9,122
1992: Deducted from accounts receivable--					
Provision for uncollectible accounts...	\$ 11,510	\$ 1,675	\$ -	\$2,724	\$ 10,461
1991: Deducted from accounts receivable--					
Provision for uncollectible accounts...	\$ 10,267	\$ 5,058	\$ -	\$3,815	\$ 11,510

(1) Amounts written off, net of recoveries of accounts previously written off.

</TABLE>

IV-17

<TABLE>  
<CAPTION>

Schedule IX

THE DAYTON POWER AND LIGHT COMPANY  
SHORT-TERM BORROWINGS

For the years 1993, 1992 and 1991

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Category of Aggregate Short-Term Borrowings	Balance at End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During the Period	Average Amount Outstanding During the Period (1)	Weighted Average Interest Rate During the Period (1)
	--thousands--		-----thousands-----		
<S>	<C>	<C>	<C>	<C>	<C>
1993--					
Commercial Paper...	\$15,000	3.339%	\$62,000	\$ 9,005	3.373%
Lines of Credit....	\$10,000	3.679%	\$24,000	\$ 8,399	3.380%

Notes Payable to Related Parties..	\$ 4,805	6.000%	\$ 4,805	\$ 4,805	8.441%
1992--					
Commercial Paper...	\$62,000	3.550%	\$62,000	\$19,060	3.650%
Lines of Credit....	-	-	\$52,500	\$10,026	4.309%
Revolving Credit Agreement.....	-	-	\$40,000	\$ 2,740	4.881%
Notes Payable to Related Parties..	\$ 4,805	9.340%	\$ 4,805	\$ 4,530	9.340%
1991--					
Commercial Paper...	\$23,500	5.293%	\$69,500	\$18,704	6.333%
Lines of Credit....	\$21,000	5.214%	\$29,000	\$10,170	5.896%
Revolving Credit Agreement.....	\$40,000	5.500%	\$40,000	\$ 6,630	6.707%

(1) Based on daily balances.

</TABLE>

IV-18

<TABLE>  
<CAPTION>

Schedule X

THE DAYTON POWER AND LIGHT COMPANY  
SUPPLEMENTARY INCOME STATEMENT INFORMATION

For the years ended December 31, 1993, 1992 and 1991

Classification	thousands		
	1993	1992	1991
General taxes--			
Property . . . . .	\$ 56,063	\$ 54,165	\$42,386
State public utility excise . . . . .	47,014	45,405	44,548
Payroll and other . . . . .	8,611	8,664	8,201
Total per Consolidated Statement of Results of Operation . . . . .	\$111,688	\$108,234	\$95,135

</TABLE>

IV-19

EXHIBIT INDEX

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Exhibit	Page No.
-----	-----
10(d)	Amended description of Directors' Deferred Stock Compensation Plan effective January 1, 1993.....
10(e)	Amended description of Deferred Compensation Plan for Non-Employee Directors effective January 1, 1993.....
10(f)	Copy of Management Stock Incentive Plan amended January 1, 1993.....
21	Copy of List of Subsidiaries of the Company...

Exhibit 10(d)

DPL INC.  
DIRECTORS' DEFERRED STOCK COMPENSATION PLAN  
DESCRIPTION OF PLAN

DPL Inc. has a deferred stock compensation plan for directors of The Dayton Power and Light Company and DPL Inc. Directors who are not employees of DPL Inc. or The Dayton Power and Light Company receive 200 common shares of DPL Inc. annually beginning with the fiscal year 1986 pursuant to the Directors' Deferred Stock Compensation Plan. This plan provides for deferral of the shares to a Master Trust established by DPL Inc. to secure its obligations under various directors and officers deferred and incentive compensation plans. Receipt of the shares or cash equal to the value thereof is deferred until the participant retires as a director or until such other time as designated by the participant. The plan was amended effective January 1, 1993 to provide that upon termination of a participant's status as a director for any reason after a change in control of DPL Inc., the participants benefits under the plan shall be payable in cash in a lump sum as valued under the plan.

Exhibit 10(e)

DPL INC.  
DEFERRED COMPENSATION PLAN  
DESCRIPTION OF PLAN

DPL Inc. has established a Deferred Compensation Plan for non-employee Directors in which payment of directors' fees may be deferred. This plan includes a matching deferred income program which provides that DPL Inc. will match \$5,000 annually of deferred directors' fees for a maximum of ten years. Under the program, a \$150,000 death benefit is provided until such director ceases to make an annual deferral contribution to the plan. Participants in the program are entitled to receive deferred payments of at least \$10,000 for ten years. In December 1986, the plan was amended to provide that in the event of a change in control of DPL Inc., as defined in the plan, all benefits provided under the supplementary deferral income program become immediately vested without the need for further contributions by the participants and the discretion which, under the plan, is exercisable to the Chief Executive Officer will be exercised by the trustees of a Master Trust. Subject to the consent of the Chief Executive Officer of DPL Inc., participants may receive accelerated payouts from their standard deferral amount at anytime. If the consent of the Chief Executive Officer of DPL Inc. is obtained, individuals who have attained the age of 55 and who are no longer directors of DPL Inc. may begin receiving payments of amounts credited to them under the supplementary deferral income program of at least \$10,000.00 for ten years. The Plan was amended effective January 1, 1993 to provide that directors shall receive all of their benefits under the plan in a lump sum upon the termination of the director's status as a director after a change in control of DPL Inc.

THE DAYTON POWER AND LIGHT COMPANY  
MANAGEMENT STOCK INCENTIVE PLAN

(Amended Effective January 1, 1993)

Section 1. Purposes.

The purposes of the Plan are (i) to attract and retain in the employment of the Company executives of experience and ability by providing incentives to those who contribute to the successful operation of the business and affairs of the Company, (ii) to increase the identity of interests of such key employees with those of the Company's shareholders, (iii) to encourage achievement of the Company's long term goals and objectives, and (iv) to prevent frustration of the goals of this Plan in the event of a Change of Control.

Section 2. Definitions.

The following terms as used herein shall have the following meanings:

(a) "Board of Directors" means the Board of Directors of DPL Inc. in place from time to time prior to a Change of Control.

(b) "Change of Control" means any change in control of DPL, or its principal subsidiary, DP&L, of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); provided that, without limitation, such a Change of Control shall be deemed to have occurred if (i) any "person" (as such term is defined in Sections 13(d) and 14(d)(2) of the Exchange Act; hereafter, a "Person") other than DPL or DP&L or an entity then directly or indirectly controlling, controlled by or under common control with DPL or DP&L is on the date hereof, or becomes or commences a tender offer to become the beneficial owner, directly or indirectly, of securities of DPL or DP&L representing 15% or more of the combined voting power of the then outstanding securities of DPL or DP&L; (ii) DPL or DP&L enters into an agreement to merge or consolidate itself, or an agreement to consummate a "combination" or "majority share acquisition" in which it is the "acquiring corporation") as such terms are defined in Ohio Rev. Code 1701.01 as in effect on December 31, 1990) and in which shareholders of DPL or DP&L, as the case may be, immediately prior to entering into such agreement, will beneficially own, immediately after the effective time of the



merger, consolidation, combination or majority share acquisition, securities of DPL or DP&L or any surviving or new corporation, as the case may be, having less than sixty-seven percent (67%) of the "voting power" of DPL or DP&L or any surviving or new corporation, as the case may be, including "voting power" exercisable on a contingent or deferred basis as well as immediately exercisable "voting power", excluding any merger of DPL into DP&L or of DP&L

into DPL; (iii) DPL or DP&L enters into an agreement to sell, lease, exchange or otherwise transfer or dispose of all or substantially all of its assets to any Person other than to a wholly-owned subsidiary or, in the case of DP&L, to DPL; but not including a mortgage or pledge of assets granted in connection with a financing; (iv) any transaction referred to in (ii) or (iii) above is consummated; or (v) those persons serving as directors of DPL or DP&L on the date of this agreement (the "Original Directors") and/or their Successors do not constitute a majority of the whole Board of Directors of DPL or DP&L, as the case may be (the term "Successors" shall mean those directors whose election or nomination for election by shareholders has been approved by the vote of at least two-thirds of the Original Directors and previously qualified Successors serving as directors of DPL or DP&L, as the case may be, at the time of such election or nomination for election).

(c) "CEO" means DP&L's Chief Executive Officer, duly installed, from time to time, prior to a Change of Control. However, "Committee" will be substituted for "CEO" in discussing the CEO's rights and benefits under the Plan.

(d) "Committee" means the Management Review and Compensation Committee of the Board of Directors of DPL Inc. or such other committee(s) as may be designated by the Board of Directors of DPL Inc. from time to time to administer the Plan.

(e) "Company" means The Dayton Power and Light Company ("DP&L"), DPL Inc. ("DPL") and any entity which, prior to a Change of Control, is controlling, controlled by or under common control with DP&L or DPL Inc.

(f) "Deferred Payment Date" means the date on which payments of deferred Stock Incentive Units shall be made or commence.

(g) "Dividend Equivalent" means the expression on the Company's books of a dividend with respect to a Stock Incentive Unit; each Dividend Equivalent being equal to the cash dividends paid from time to time on one Share.

(h) "Earned Stock Incentive Units" means Stock Incentive Units which have been awarded and have been earned in accordance

with Section 6, together with all Dividend Equivalents with respect to such Earned Stock Incentive Units in accordance with Section 6 (including any Stock Incentive Units credited to the Participant's account as the result of the conversion of such Dividend Equivalents into Stock Incentive Units).

(i) "Fair Market Value" means the average of the closing sale price of a Share on the last trading day of each of the four calendar months preceding the date the value of a Share is to be

determined, as reported on the New York Stock Exchange - Composite Transactions Tape.

(j) "Incentive Period" means the period established by the Committee with respect to each Stock Incentive Award, over which period the Stock Incentive Units included in such award are to be earned as provided in Section 6(d) of the Plan. The Incentive Period shall be specified by the Committee in and with respect to each Stock Incentive Award made. If the Incentive Period is not so specified then it shall be the calendar plan year to which the Stock Incentive Award relates.

(k) "Plan" means this Management Stock Incentive Plan.

(l) "Share" means a Common Share of DPL Inc.

(m) "Stock Incentive Award" means an award made under the Plan with respect to a specified Incentive Period.

(n) "Stock Incentive Unit" means the expression on the Company's books of a unit which is equivalent to one Share.

### Section 3. Administration.

(a) Committee. The Plan shall be administered by the Committee. No director shall serve as a voting member of the Committee if he is then, or was at any time within one year prior to his appointment, eligible to participate in the Plan or eligible for selection as a person to whom Shares may be allocated or to whom stock options may be granted pursuant to any other plan of the Company or any of its affiliates, other than the DP&L Directors' Deferred Stock Compensation Plan and the Directors' Deferred Compensation Plan, entitling the participants therein to acquire Shares, options or stock appreciation rights of the Company or any of its affiliates.

(b) Authority and Discretion. Prior to a Change of Control, the Committee shall have the power to interpret the Plan and, subject to the provisions herein set forth, to prescribe, amend and

rescind rules and regulations and make all other determinations necessary or desirable for the administration of the Plan. The decision of the Committee on any questions concerning or involved in the interpretation or administration of the Plan shall be final and conclusive, and nothing in the Plan shall be deemed to give any officer or employee, his legal representatives or assigns, any right to participate in the Plan except to such extent, if any, as the Committee may have determined or approved pursuant to the provisions of the Plan.

#### Section 4. Eligibility.

Employees eligible to participate in the Plan shall be those full-time salaried employees of the Company or any entity comprising the Company who, in the opinion of the Committee, serve in key executive, administrative, professional or technical capacities with the Company or any entity comprising the Company and have made a significant contribution to the successful operation of the Company or any entity comprising the Company.

#### Section 5. Participants.

From the employees eligible to participate in the Plan, the Committee may annually choose those who shall actually participate for that year in the Plan (the "Participants"), and shall determine the number of Stock Incentive Units to comprise each Participant's Stock Incentive Award. In choosing the Participants and in determining the number of Stock Incentive Units comprising a Stock Incentive Award, the Committee shall consider, after consulting with the CEO concerning his recommendations on these matters, the positions and responsibilities of the eligible employees, their accomplishments during recent periods, the corporate and individual objectives jointly established with the CEO, the value of such accomplishments to the Company, and such other factors as the Committee deems pertinent. The Company may determine in any year during the term of the Plan not to make any Stock Incentive Awards with respect to such year.

#### Section 6. Operation of the Plan.

(a) Stock Incentive Awards. Stock Incentive Awards shall be made by the Committee at such time or times as it may determine; however, Stock Incentive Awards shall generally be made in the year preceding commencement of the next plan year. At the time the Committee makes a Stock Incentive Award, it shall determine the aggregate number of Stock Incentive Units which may be earned by each Participant over the Incentive Period. Except as expressly provided in a Stock Incentive Award, the terms and conditions of the Plan shall be deemed to be incorporated in and shall control

all Stock Incentive Awards. However, to the extent inconsistent with this Plan, the terms of a Stock Incentive Award (other than a Stock Incentive Award applicable to Previously Earned Units) shall control this Plan.

(b) Previously Awarded Stock Incentive Units. Previously awarded Stock Incentive Units shall be deemed to have been earned or, in the future, will be earned to the extent to which they would have been earned if Section 6(d) had been in effect at the time they previously were awarded and based on the Incentive Period applicable to the related Stock Incentive Award previously awarded.

(c) Crediting of Stock Incentive Units and Dividend Equivalents. Earned Stock Incentive Units for each year following the effective date of the Plan accrue and shall be credited to a Participant's separate account under the Plan on the first day of the month following the date on which they are earned. On each dividend payment date a Dividend Equivalent shall be credited to such account for each Earned Stock Incentive Unit (or, if and to the extent that the related Stock Incentive Award otherwise provides, for Stock Incentive Units awarded, whether or not such units are Earned Stock Incentive Units) credited to the Participant's account. On any dividend payment date when the value of accumulated Dividend Equivalents on Stock Incentive Units as provided above in a Participant's account equals the Fair Market Value of a full Share on such date, such Dividend Equivalents shall, subject to the terms of the Stock Incentive Award, the terms of which shall control this Plan to the extent inconsistent herewith, be credited to the Participant's account as an Earned Stock Incentive Unit. Such separate accounts are established only as a mechanism for measuring the potential amount of cash which may be distributed under the Plan. The Company shall retain beneficial ownership of all Stock Incentive Units and Dividend Equivalents credited to the accounts and such amounts will be subject to the claims of DP&L's creditors. No Participant or beneficiary has or will have any property interest in deferred amounts or in any specific assets of the Company.

(d) Earning of Stock Incentive Units. Awarded Stock Incentive Units shall be earned as specified in the related Stock Incentive Award. Subject to such Stock Incentive Award, the terms of which shall control this Plan to the extent inconsistent herewith, the maximum number of Stock Incentive Units which may be earned in any one year shall be equal to the product obtained by multiplying the total number of Stock Incentive Units included in a Stock Incentive Award by a fraction, the numerator of which is one and the denominator of which is the number of calendar years in the Incentive Period. For example, in the case of a Stock Incentive Award for which a one-year Incentive Period applies, all of the Stock Incentive Units may be earned in the calendar year to

which the Stock Incentive Award relates, and in the case of a Stock Incentive Award for which a three year Incentive Period has been fixed by the Committee, up to one-third of the Stock Incentive Units included in the Stock Incentive Award may be earned each year. Unless the related Stock Incentive Award otherwise provides, by its terms or by implication, prior to or as soon as practicable after the end of each calendar year the Committee will review with each Participant his or her achievement of the related performance goals and will specify the number of Stock Incentive Units which have been earned for that year by the Participant.

#### Section 7. Payments Under The Plan.

(a) Right to Payment of Earned Stock Incentive Units. A Participant shall be entitled to receive payment for an awarded Stock Incentive Unit in a given year of the Incentive Period only if such Stock Incentive Unit shall have been earned under the provisions of Section 6(d). Except as provided under Section 10 and Section 7(d) hereof, a Stock Incentive Unit, though earned, only becomes vested (and, thus, ultimately payable) if the Participant is employed by the Company on the last day of the year of the Incentive Period in which the Participant could earn a portion of the particular Stock Incentive Units awarded. All Stock Incentive Units which do not become so vested shall be forfeited. The Committee may, however, accelerate the earning and vesting of any Stock Incentive Units awarded whether or not earned or vested, if it determines in its sole opinion that such action is warranted.

(b) Time of Payment of Earned Stock Incentive Units. Payment for Earned Stock Incentive Units which have been vested under Section 7(a) and Section 7(d) shall, unless otherwise expressly provided in the related Stock Incentive Award, be made in accordance with the provisions of Section 8 hereof.

(c) Withholdings. There shall be deducted from all payments any taxes required by an Federal, state, or local government to be withheld and paid over to the government for the account of the Participant.

(d) Special Provision for Vesting of Certain Earned Stock Incentive Units. All Earned Stock Incentive Units earned by Participants under Section 6(d) during the period from the inception of the Plan in 1984 through 1991 ("Previously Earned Units") will vest in four equal annual installments commencing in 1991 and not later than December 31 of each year thereafter. The Participant must be employed by the Company on the date of an installment in order to become vested in and be entitled to payment with respect to the Previously Earned Units vesting on that date. Notwithstanding the above sentence, in the event of (i) the death of a Participant, (ii) the Disability, as defined in paragraph 5.A.

(or successor provision) of the Participant's severance letter agreement with the Company (or, if the Participant is not then a party to a severance letter agreement, under circumstances in which payments under paragraph 5.A. [or any successor provision] of the most restrictive severance letter agreement between the Company and any employee [in terms of triggering the Company's obligation to pay benefits to the employee] would become due and payable to the Participant if he were a party thereto), of a Participant or (iii) a Change of Control, except for a Change of Control consisting only of the commencement of a tender offer, then all Previously Earned Units which have not yet vested shall immediately become fully vested and shall be paid in accordance with the provisions of

Section 8 of the Plan (or Section 10 of the Plan in the case of a Change of Control).

#### Section 8. Deferral Provisions.

(a) Filing of Election Form. Under the Plan, a Participant must elect to defer payment of any amounts earned under the Plan by providing the Company with a written Election Form, a copy of which is attached hereto as Exhibit A (the "Deferral Election Form"), prior to the commencement of the Incentive Period which the Committee uses as a basis for determining what portion of the particular annual installment of his Stock Incentive Award may be earned. For example, if a Participant were to elect to defer payment of Stock Incentive Units which would be deemed to be earned on December 31, 1990, the Election Form must be received by the Company prior to January 1, 1990.

(b) Payment of Amounts Deferred Under the Plan. Payment of a Participant's deferred Stock Incentive Units or of a Participant's "Cash Account" (as defined in Section 8(d) below) shall be made, or commence, on the Deferred Payment Date specified by the Participant in his Deferral Election Form, provided such date is after his termination of employment. Prior to his termination of employment, a Participant shall specify on his Deferral Election Form whether the Stock Incentive Units which are Earned Stock Incentive Units at the termination of his employment shall be credited to a deferred account as Stock Incentive Units or as part of his Cash Account.

(c) Earned Stock Incentive Units Credited as Stock Incentive Units. The following provisions shall apply to a Participant who has elected to have his Earned Stock Incentive Units at termination of employment credited to a deferred account as Stock Incentive Units:

(i) Lump Sum Payment. In the event lump sum payment has

been elected, payment shall be made as soon as possible (but in no event more than 60 days) after the Deferred Payment Date specified by the Participant. Deferred payments shall be made in cash. For purposes of determining the amount of cash payments, the Fair Market Value of a Share on the Deferred Payment Date shall be used.

(ii) Installment Payments. If a Participant has elected to be paid his deferred Earned Stock Incentive Units in up to ten equal annual installments commencing on the Deferred Payment Date specified by him, the first installment shall be paid in cash, as soon as practicable (but in no event more than 10 days) after the Deferred Payment Date specified by him. The second installment shall be paid on the twentieth

day of January of the year following the year in which the first installment payment was made. Additional installments, if any, shall be paid on each January 20th thereafter until the Participant's account has been settled in full. For purposes of determining the amount of any cash payments, the Fair Market Value of a Share on the Deferred Payment Date shall be used for the first installment and for each subsequent installment, the Fair Market Value of a Share on the January 15th immediately preceding the January 20th installment payment date shall be used.

(d) Earned Stock Incentive Units Credited as Cash. Under the Plan, except as otherwise provided in this Section 8(d), a Participant may elect to have all or any portion of his Earned Stock Incentive Units converted to cash at any time and from time to time prior to termination of employment, and on the date of termination of his employment as provided in Section 8(b) hereof (collectively and individually the "Conversion Date(s)") and held in his deferred account as cash (the "Cash Account"). Once Earned Stock Incentive Units have been credited to a Participant's Cash Account, no portion of such Cash Account may thereafter be reconverted into or credited as Stock Incentive Units. The amount credited to a Participant's Cash Account on a Conversion Date shall be equal to the value of the Participant's Earned Stock Incentive Units so converted on the Conversion Date based on an amount equal to the closing sales price on the New York Stock Exchange Composite Transaction Tape, on the Conversion Date, of Common Shares of DPL Inc. The Company shall pay interest on funds credited to a Participant's Cash Account at a rate equal to the average yield of the annualized AA utility bond average as published in Moody's Bond Survey for the preceding quarter, and shall credit such interest quarterly. If a Participant has elected to have his Cash Account paid, upon termination of employment, in a lump sum payment or in equal annual installments, the date on which a lump sum payment shall be paid or the date on which installment payments shall be



paid shall be the same as provided in Section 8(c)(i) and (ii) for payment of Earned Stock Incentive Units deferred as Stock Incentive Units. The foregoing to the contrary notwithstanding, if, prior to termination of employment, a Participant elects to convert Earned Stock Incentive Units to cash and, following such conversion, if the Fair Market Value of such Participant's Earned Stock Incentive Units on such Conversion Date would be less than such Participant's "Threshold Amount" (as defined below), then the number of Earned Stock Incentive Units converted to cash shall be reduced so that the Fair Market Value of such Participant's Earned Stock Incentive Units on such Conversion Date shall equal the Participant's Threshold Amount. The Participants' Threshold Amounts are as follows:

Executive	Threshold Amount
Chief Executive Officer of DPL Inc.	Four Times Annual Base Salary
Chief Executive Officer of DP&L; DP&L Executives in Charge of Service and Power Plant Functions	Three Times Annual Base Salary
All Other Executives	Two Times Annual Base Salary

"Annual Base Salary" shall be computed before deduction for any deferred compensation or other employee deferrals.

(e) Early Payment. Subject to Section 10, a Participant may in no event receive a distribution of all or a portion of amounts of cash or Earned Stock Incentive Units credited to his accounts prior to the time that the Participant elected to receive such amounts pursuant to Section 8(a). Notwithstanding the foregoing, the Committee may, upon receiving a written request from the Participant and determining that a distribution is in the best interest of the Company and the Participant taking into account the financial condition of each, distribute all or a portion of the deferred compensation credited to the Participant's account.

(f) Lack of Stock Exchange Listing. In the event that the Shares cease to be listed on the New York Stock Exchange, then all Earned Stock Incentive Units shall be converted into cash, on the date that the Shares cease to be so listed, in an amount equal to the Fair Market Value of the Participants' Earned Stock Incentive Units on such date (the "Conversion Price"). In the event the Shares cease to be so listed as a result of a Change of Control, the Conversion Price shall be the higher of (i) the Fair Market Value, or (ii) the closing sales price on the New York Stock Exchange--Composite Transaction Tape, on the date the Shares cease to be so listed. The account of each Participant shall be credited



with an amount of cash equal to the Conversion Price of the Earned Stock Incentive Units credited to his account, and the Company shall pay interest on such account balance at an annual rate equal to the average yield of the annualized AA utility bond average as published in Moody's Bond Survey for the preceding quarter, and shall credit such interest quarterly. If the amount payable to a Participant under this Section 8(f) is higher than the amount payable to such Participant under Section 10(b) hereof, then the amount payable under this Section 8(f) shall be made.

#### Section 9. Master Trust.

A. Initial Transfers, Participant's Account. The Company has secured the performance of its obligations to Participants under this Plan by establishing and funding a master trust (hereinafter the "Master Trust") in such amounts of cash and/or Shares as the Company has determined to be equal to the value of a participant's Earned Stock Incentive Units, or other currently vested or earned benefits under the Plan ("Initial Transfer"). The Master Trust is governed by the terms of an Amended Master Trust dated January 1, 1991, pursuant to which each Participant has been assigned separate accounts as a mechanism for measuring the potential benefits which may be distributed in the future.

B. Successive Transfers. On each successive quarterly anniversary date of the date of the Initial Transfer, the Company shall transfer such amounts of cash and/or Shares as it shall determine to be equal to the value of benefits of Participants under the Plan which benefits have vested or have been earned (i.e., all Earned Stock Incentive Units) during the immediately preceding three (3) month period.

C. Title to Funds. DP&L shall retain beneficial ownership of all assets transferred to the Master Trust and such assets will be subject to the claims of DP&L's creditors. No Participant or beneficiary has or will have any property interest in the assets held in the Master Trust or in any other specific asset of the Company.

#### Section 10. Change of Control.

(a) Automatic Transfer of Authority. Any and all authority and discretion which is exercisable by the Committee, or the CEO, as heretofore or hereafter described in the Plan, shall automatically be transferred to the Trustees of the Master Trust in the event of a Change of Control.

(b) Acceleration Upon Change of Control. Upon the subsequent termination of the Participant's employment for any reason at any

time after a Change of Control, except for a Change of Control consisting only of the commencement of a tender offer, any and all awarded Stock Incentive Units (other than to the extent related to a completed Incentive Period for which the determination of the number of Earned Stock Incentive Units has already been made; and not to exceed the number of Stock Incentive Units comprising the target award under the applicable Stock Incentive Award regardless of the potential to earn more than such target award if and as provided in such Stock Incentive Award) shall be deemed to be Earned Stock Incentive Units and, notwithstanding any other provision of this Plan, any Stock Incentive Award or any installment election by the Participant to the contrary, all Earned Stock Incentive Units (including, without limitation, Previously

Earned Units), and a Participant's entire Cash Account, including all accrued interest therein, shall be immediately payable to the Participant in a lump sum in cash in an amount equal to the higher of (i) an amount based on the higher of the closing sales price on the New York Stock Exchange--Composite Transaction Tape on the date of termination or the date on which a Change of Control occurs, whichever is greater, of Common Shares of DPL Inc., or (ii) the amount payable to a Participant under Section 8(f).

(c) (Intentionally left blank.)

(d) Funding of Master Trust. Upon a Change of Control, the Company shall immediately transfer to the Master Trust an amount of cash which, when combined with the other assets of the Master Trust contributed or accruing thereto under or by reason of Section 9 hereof, are equal to the value of benefits of Participants under the Plan (i.e., the value of all Earned Stock Incentive Units) accrued through the date of occurrence of the Change of Control event, determined after application of Section 10(b), and by assuming that all Stock Incentive Units previously awarded have become Earned Stock Incentive Units.

#### Section 11. Notices.

Any notice, election or any request required or permitted hereunder, which is to be mailed or requested from the Secretary or the CEO of the Company, shall be delivered or mailed, postage prepaid, as follows:

(a) Prior to a Change of Control, to the Corporate Secretary of the Company at:

The Dayton Power and Light Company  
MacGregor Park  
1065 Woodman Drive, P.O. Box 1247  
Dayton, Ohio 45432

Attention: Corporate Secretary

(b) After a Change of Control, to the Trustees at:

Trust Department  
Bank One, Dayton, NA  
Kettering Tower  
Dayton, Ohio 45401

The Company or Trustees may from time to time change their addresses for receipt of notices by giving notice of such change to the Participants, but no such change shall be deemed to be effective until notice thereof is actually received by the Participant to whom it is directed.

#### Section 12. Conditions Upon Awards and Payments.

No provision of the Plan or any Stock Incentive Award shall be binding upon the Company or enforceable against the Company to the extent that it would cause the Company not to comply with all relevant provisions of state and federal law.

#### Section 13. No Right to Employment.

Nothing in the Plan shall confer upon any Participant or other eligible employee the right to continue in the employment of the Company or affect any right the Company may have to terminate the employment of any Participant or other eligible employee.

#### Section 14. No Rights as Shareholders.

Participants who receive Stock Incentive Awards under the Plan shall have no rights as shareholders of the Company as a result thereof.

#### Section 15. Non-Uniform Determinations.

The Committee's determination under the Plan (including, without limitation, its selection of Participants to receive Stock Incentive Awards, the length of Incentive Periods, and the amount of timing of awards) need not be uniform, and may be made by it selectively among persons who receive, or are eligible to receive Stock Incentive Awards under the Plan, whether or not such persons are similarly situated.

#### Section 16. Non-Transferability.

Neither a Participant, nor his beneficiary, nor any other individual shall have any right by way of anticipation or otherwise to alienate, sell, transfer, assign, pledge, charge or otherwise

dispose of any benefits which may become payable under this Plan, prior to the time that payment of any such benefit is made, and any attempted anticipation, alienation, sale, transfer, assignment, pledge, charge, or other disposition shall be null and void. Furthermore, to the extent permitted by law, none of the benefits payable under this Plan shall be subject to the claim or legal process of the creditors or the Participant, or his beneficiary.

#### Section 17. Adjustments Upon Changes in Capitalization.

In the event of a change in outstanding Shares by reason of a Share dividend, recapitalization, merger, consolidation, splitup, combination or exchange of share, or the like, the number of Stock Incentive Units allocated to a Participant's account shall be adjusted by the Committee (whose determination in each case shall be conclusive) to give effect as may be appropriate to any increase

or decrease in the number of issued and outstanding Shares as a result thereof.

#### Section 18. Interpretation and Amendment.

This Plan will be administered by the Committee. The decision of the Committee with respect to the administration or interpretation of the Plan will be final and binding. The Committee reserves the right, prior to a Change in Control, to modify or terminate the Plan; provided, however (i) no modification shall affect an election to defer payments already in effect for the current calendar year or any preceding calendar year, and (ii) following a Change of Control the Committee's discretion will be exercised by the Trustees of the Master Trust; provided further that the Trustees shall have no authority to terminate the Plan.

#### Section 19. Gender and Number.

Except when indicated by the context, any masculine terminology used herein shall also include the feminine, and the use of any term herein in the singular may also include the plural.

#### Section 20. Choice of Law.

This Plan shall be construed, rendered and governed by the laws of the State of Ohio.

EXHIBIT A

THE DAYTON POWER AND LIGHT COMPANY

MANAGEMENT STOCK INCENTIVE PLAN

DEFERRAL ELECTION FORM

Instructions:

This Election Form relates to Stock Incentive Units deferred pursuant to the Management Stock Incentive Plan (the "Plan"). Under the Plan, deferred Stock Incentive Units are credited to a Participant's Account in a Master Trust created by DP&L.

1. Crediting of Stock Incentive Units (Check one).

\_\_\_\_\_ I request that my Earned Stock Incentive Units on termination of employment be credited as Stock Incentive Units.

\_\_\_\_\_ I request that my Earned Stock Incentive Units on termination of employment be credited to my Cash Account.

2. Payments. Payments shall be made from the Plan as follows (check one):

a. \_\_\_ lump sum payment.

b. \_\_\_ annually over a period of up to ten years. (Specify number of years \_\_\_\_\_)

Upon my death (check one):

\_\_\_\_\_ payments to my beneficiary shall continue or commence in the same method to be paid to me as elected above.

\_\_\_\_\_ payments are to be made to my beneficiary in a lump sum.

DESIGNATION OF BENEFICIARY

In the event of my death all payments required to be made under the Plan shall be made to the following person:

Name of designated beneficiary:

\_\_\_\_\_

Address of designated

beneficiary:

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If the above-designated beneficiary does not survive me, payments will be made to the following successor beneficiary (or to my estate on failure to designate otherwise):

Name of designated beneficiary:

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Address of designated beneficiary:

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Signature

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Date

This Election Form was received by the Secretary of the Company on \_\_\_\_\_.

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Secretary

SUBSIDIARIES OF THE DAYTON POWER AND LIGHT COMPANY

The Dayton Power and Light Company had the following wholly owned subsidiaries on March 11, 1994:

Name	State of Incorporation
- - - - -	-----
MacGregor Park, Inc.	Ohio
DP&L Community Urban Redevelopment Corporation	Ohio
Miami Valley Equipment, Inc.	Ohio