THE DAYTON POWER AND LIGHT COMPANY d/b/a AES OHIO

APPENDIX H: CAPACITY PROXY PRICE

For purposes of this Appendix H: (i) AES Ohio will use the published final zonal net load price (\$/MW-day) from PJM to LSEs for capacity in the Company's PJM zone under the Reliability Pricing Model ("RPM") or its successor; and (ii) the Capacity Proxy Price ("CPP") for the Company is ___/MW-day for the 20 /20 PJM Capacity Year.

The CPP will be the average of the capacity prices from the latest conducted RPM auctions (Base Residual or Incremental) for the last two PJM Capacity Years for which such auction results are available.

In the event a CPP is implemented: (i) AES Ohio will calculate the CPP for the relevant PJM Capacity Year and provide notice to Bidders via the Information Website (<u>www.aes-ohioauction.com</u>); and (ii) Section 8.1 (a) of the Master Standard Service Offer Supply Agreement will also include the following:

For each Billing Month where a CPP was used, an additional line item on the supplier invoice will show the true-up amount expressed in dollars which is the difference between the Capacity Price actually charged for load served on the day for the Company's PJM zone and the CPP multiplied by the SSO Supplier Responsibility Share of the Capacity obligation (UCAP) for each day of the Billing Month in question. True-ups will occur in the delivery year where a proxy price was utilized.