

DTE Energy®



RECEIVED

MAY 03 2013

EXECUTIVE SECRETARY

May 1, 2013

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, Michigan 48909-7721

RE: Transfer of Assets between DTE Gas Company¹ and it's associated company DTE Gas Services Company²

Dear Executive Secretary,

With this letter DTE Gas is providing written notice to the Michigan Public Service Commission (hereinafter referred to as the "Commission") of the pending transfer of Natural Gas Vehicle (NGV) conversion costs, pursuant to the affiliate transaction rules established in Case No. U-10149/U-10150. A complete description of the transaction is provided below.

On October 31, 2012, Michigan Consolidated Gas Company (MichCon) provided written notice to the Michigan Public Service Commission (hereinafter referred to as the "Commission") of the pending transfer of Compressed Natural Gas (CNG) Station Equipment and Natural Gas Vehicle (NGV) conversion costs, pursuant to the affiliate transaction rules established in Case No. U-10149/U-10150. This transfer was completed as of November 30, 2012.

Subsequent to that process it was determined that a portion of that transfer should not have occurred and so this letter describes that issue and provides written notice of a transfer of NGV conversions from DTE Gas Services Company (DTE Gas Services) back to DTE Gas Company (DTE Gas).

THE PARTIES

DTE Gas is a subsidiary of DTE Energy Company, a Michigan corporation with its principal offices located at One Energy Plaza, Detroit, Michigan 48226. DTE Gas is a public utility subject to the jurisdiction of the Michigan Public Service Commission and is engaged in the

¹ Effective January 1, 2013, Michigan Consolidated Gas Company changed its legal name to DTE Gas Company. Because some of the transactions happened before the effective date and others after, both names are used throughout this document.

² Effective January 1, 2013, MichCon Fuel Services Company changed its legal name to DTE Gas Services Company. Because some of the transactions happened before the effective date and others after, both names are used throughout this document.

acquisition, storage, transportation, distribution and sale of natural gas and other related services to approximately 1.2 million residential, commercial and industrial customers within the State of Michigan.

DTE Gas Services Company is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226. It markets natural gas as a vehicular fuel and promotes compressed natural gas (CNG) stations and facilitation of customer conversions. DTE Gas Services Company is a wholly owned subsidiary of DTE Gas Holdings, Inc.³

DTE Gas Holdings, Inc. is a Michigan corporation with offices at One Energy Plaza, Detroit, Michigan 48226. It is the holding company for DTE Gas Company, a Michigan corporation, and DTE Gas Services Company.

THE TRANSACTIONS

The NGV conversion costs were transferred from DTE Gas to DTE Gas Services as of November 30, 2012.

It was determined that this transfer required splitting one asset between two legal entities. The original cost of the vehicle had stayed within DTE Gas and the NGV conversion (now an integral part of the vehicle) had been moved to DTE Gas Services. For subsequent retirements and additions this would lead to concerns about how to keep both companies' asset records up to date on the same overall asset.

Therefore this request is to move the NGV conversions from DTE Gas Services back to DTE Gas at the same net book value that they were moved at in 2012.

Accounting entries are shown on Attachment 1 from the original transfer and this subsequent request to move the NGV conversions back to DTE Gas in conformance with the MPSC Uniform System of Accounts, Gas Plant Instruction, Rule 5 G.

DATE OF TRANSFER

It is the Parties' understanding that Commission approval is not required prior to completing the transactions described above. Please provide written notice within 30 days if Commission approval is required. Absent such notice, the Parties will assume no further action is required and will consummate the transaction as planned.

Respectfully submitted,



Peter Rynearson
Director Regulatory affairs, DTE Energy
One Energy Plaza
Detroit, MI 48226

³ Effective January 1, 2013, MichCon Holdings, Inc. changed its legal name to DTE Gas Holdings, Inc. Because some of the transactions happened before the effective date and others after, both names are used throughout this document.

New Entries - May 1, 2013 letter

DTE Gas (Michigan Consolidated Gas Company)
Accounting Entries to Transfer CNG Station Assets and Liabilities
and NGV Conversion Expense

	<u>Acct No.</u>	<u>Description</u>	<u>Amount</u>	
II. To transfer NGV Conversion Costs back to DTE Gas (MichCon)				
DR.	10100	Gas Plant In Service	\$ 275,859.00	
CR	14600	Accounts Receivable from Associated Companies		\$ 275,859.00

Original Entries - October 31, 2012 letter

Michigan Consolidated Gas Company
Accounting Entries to Transfer CNG Station Assets and Liabilities
and NGV Conversion Expense

	<u>Acct No.</u>	<u>Description</u>	<u>Amount</u>	
I. To transfer CNG Station Plant and Depreciation Balances from MichCon (See Attachment 1, page 2 of 2 listing detail)				
DR.	10800	Accumulated Depreciation	\$ 1,104,707.59	
DR.	14600	Accounts Receivable from Associated Companies	\$ 966,457.90	
CR	10100	Gas Plant In Service		\$ 2,071,165.49
II. To transfer NGV Conversion Costs from MichCon				
DR.	14600	Accounts Receivable from Associated Companies	\$ 275,859.00	
CR	10100	Gas Plant In Service		\$ 275,859.00
III. To transfer MichCon Fuel Services Deferred Federal Income Tax Balance				
DR.	28200	Accumulated Deferred Income Tax Other	\$ 285,824.00	
CR	14600	Accounts Receivable from Associated Companies		\$ 285,824.00
IV. To Transfer MichCon Fuel Services 2012 Prepaid Property Tax Balance				
DR.	14600	Accounts Receivable from Associated Companies	\$ 9,000.00	
CR	202040	Prepaid Property Taxes		\$ 9,000.00