One Energy Plaza, Detroit, MI 48226-1279

DTE Energy

DTE Gas Company

June 19, 2013

Mr. Bill Stosik, Director
Financial Analysis and Audit Division
Michigan Public Service Commission
4300 W Saginaw Hwy
Lansing, MI 48917

Re: MPSC Case No. U-10150 (Paperless) - DTE Gas Company
2012 Affiliate Transactions Compliance Report

Dear Mr. Stosik:

Enclosed for filing is DTE Gas Company's Affiliate Transactions Compliance Report for the year 2012 as required by the order issued by the Michigan Public Service Commission dated October 28, 1993 in Case No. U-10150.

Very truly yours,

Peter Rynearson

Digitally signed by Peter Rynearson
DN: cn=Peter Rynearson, o=Director Regulatory Affairs, ou=Regulatory Affairs, email=rynearsonp@dteenergy.com, c=US
Date: 2013.06.19 13:39:17 -04'00'

Peter M. Rynearson
Director, Regulatory Affairs

Enclosures

cc: N. Katsarelas (MPSC Staff)

DTE Gas Company

Affiliate Transactions Compliance Report

Calendar Year 2012

June 19, 2013

The DTE Gas Company[1] (DTE Gas) submits this annual Affiliate Transactions Compliance Report for calendar year 2012 pursuant to the Michigan Public Service Commission's (Commission) October 28, 1993 Order in Case No. U-10150.

The Company reserves the right to amend or supplement this Report as necessary and reserves the right to object to any specific disclosures as they may arise in the future.

Questions regarding the contents of this Report should be directed to Ray Seidl, Manager – Regulatory Adjudication and Compliance, One Energy Plaza, Room 1006 WCB, Detroit, MI 48226, or 313-235-8887 or seidlr@dteenergy.com.

[1] Effective January 1, 2013, Michigan Consolidated Gas Company changed its legal name to DTE Gas Company.

ITEM 1

That the utility ensure that the Commission has access to books and records of the holding company and each of its affiliates and their joint ventures. Any objections to not providing all books and records must be raised before the Commission and the burden of showing that the request is unreasonable or unrelated to the proceeding is on the respondents.

RESPONSE

DTE Gas has provided the Commission access to its books and records in accordance with its jurisdiction and authority as provided by law.

ITEM 2

Each utility, holding company, and each of its subsidiaries and the joint ventures of the holding company and/or its subsidiaries shall employ accounting and other procedures and controls related to cost allocations and transfer pricing to ensure and facilitate full review by the Commission and to protect against cross-subsidization of non-utility activities by the utility's customers.

RESPONSE

DTE Gas has established and will continue to maintain accounting controls to facilitate review by the Commission. The procedures employed by DTE Gas are available for review by the Commission Staff upon request.

ITEM 3

The holding company and each of its subsidiaries and the joint ventures of the holding company and/or its subsidiaries shall keep their books in a manner consistent with general accounting principles and, where applicable, consistent with the Uniform System of Accounts.

RESPONSE

DTE Gas, its affiliates, and subsidiaries maintain books consistent with general accounting principles and, where applicable, consistent with the Uniform System of Accounts. DTE Energy's financial statements are audited by Pricewaterhouse Coopers, an international certified public accounting firm, on an annual basis.

ITEM 4a
The utility shall furnish the Commission with:

> The quarterly and annual financial statements of the consolidated utility and/or its parent holding company.

RESPONSE
The Company, at previous dates and as a matter of routine, submitted the subject documents to the Commission.

ITEM 4b
The utility shall furnish the Commission with:

> Annual statements concerning the nature of intercompany transactions concerning the utility and a description of the basis upon which cost allocations and transfer pricing have been established in these transactions.

RESPONSE
DTE Gas routinely reports such transactions between its affiliates and/or subsidiaries. See Attachment 4b.1, Pages 228B through 228B-1, “Receivables from Associated Companies”, Attachment 4b.2, Pages 260B through 260B-1, “Payables to Associated Companies”, Attachment 4b.3, Pages 358 through 359, “Summary of Costs Billed to Associated Companies”, and Attachment 4b.4, Pages 360 through 361, “Summary of Costs Billed From Associated Companies.”

All of these attachments were taken from the MPSC Annual Report Form P-522 for the year 2012.

The description of the basis upon which cost allocations and transfer pricing have been established in these transactions are contained in the “Affiliated Company Master Service Agreement” and “Service Level Agreement – Shared Services” which were submitted with the 2007 Affiliate Transactions Compliance Report and remain in effect.

ITEM 4c
The utility shall furnish the Commission with:

> Annual balance sheets and income statements of the non-regulated subsidiaries of the utility and/or the non-consolidated subsidiaries of the holding company;

RESPONSE
See Attachment 4c.1, the income statements and balance sheets of the subsidiaries of DTE Gas.

ITEM 4d
The utility shall furnish the Commission with:

> As a separate exhibit in its next general rate case, an audit report of its transactions between the utility and its non-utility affiliates.

RESPONSE
An audit report of transactions between DTE Gas and its non-utility affiliates was furnished to the Commission with its general rate case, MPSC Case No. U-13898.

ITEM 4e
The utility shall furnish the Commission with:

Federal income tax on a consolidated or non-consolidated basis depending on filing.

RESPONSE
Copies of federal income tax returns shall be made available to the Commission upon request.

ITEM 5
The utility shall avoid a diversion of management talent that would adversely affect the utility. An annual report identifying personnel transferred from the utility to non-utility subsidiaries is required.

RESPONSE
Following is a breakdown of employee transfers between DTE Gas and affiliates during 2012:

Employee transfers to DTE Gas from:

• DTE Electric Company	5
• DTE Energy Corporate Services, LLC	21

Employee transfers from DTE Gas to:

• DTE Electric Company	10
• DTE Energy Corporate Services, LLC	21
• DTE Energy Trading	1
• DTE Energy Resources, LLC	1

It is DTE Gas's position no transfers/diversion of management talent that would adversely affect DTE Gas occurred during the year 2012.

ITEM 6

The utility shall notify the Commission in writing within thirty days prior to any transfer to non-utility affiliates of any utility assets or property exceeding a fair market value of $100,000. Asset transfers from regulated to non-regulated shall be at the higher of cost or fair market value and non-regulated to regulated shall be at the lower of cost or fair market value. All services and supplies provided by non-regulated enterprises shall be at market price or 10% over fully allocated costs, whichever is less.

RESPONSE

On October 31, 2012, in a letter sent to the MPSC, Michigan Consolidated Gas Company transferred assets to an associated company, MichCon Fuel Services Company. See Attachment 6 for a copy of the letter.

ITEM 7
Market, technological, or similar data transferred, directly or indirectly, from the utility to a non-utility affiliate shall be transferred at the higher of cost or fair market value.

RESPONSE
There were no such transfers in 2012.

Michigan Consolidated Gas Company

Affiliate Transactions Compliance Report

Calendar Year 2012

Attachments

DTE GAS COMPANY	AN ORIGINAL	December 31, 2012

CONSTRUCTION OVERHEADS - GAS

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.
2. On page 218 furnish information concerning construction overheads.
3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.
4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	General Administration Capitalized	$9,550,784	$149,523,249
2	Supervision, Engineering and Transportation -		
3	Joint Expense	27,941,384	$149,523,249
4	Pensions and Employee Benefits Capitalized	25,365,345	$149,523,249
5	Allowance for Funds Used During Construction	1,243,040	$149,523,249
6	Payroll Taxes	3,866,099	$149,523,249
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34	Total	$67,966,652	

DTE GAS COMPANY	AN ORIGINAL	December 31, 2012

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, if those differ from the overall rate of return authorized by the Michigan Public Service Commission.

General Administration Capitalized

Costs of certain administrative departments (i.e. Legal, Corporate Resources, Corporate Planning) are capitalized monthly based on annual estimates of how much work is applicable to construction work in progress. Amounts capitalized are initially debited to a blanket work order (Account 107). These charges are then transferred to construction work orders based on the current month's charges to these construction work orders.

Supervision, Engineering and Transportation - Joint Expense

Supervision, engineering and transportation costs of certain departments are distributed to operation and maintenance accounts and construction work orders on a pro rata basis to direct labor charges.

Pensions and Employees' Benefits Capitalized

Construction and retirement work orders are debited with costs of pensions and employees' benefits distributed on the basis of direct construction and retirement labor charges. The percentage applied to direct labor includes an additional component which represents amounts applicable to indirect labor.

Allowance for Funds Used During Construction (A.F.U.D.C.)

An allowance for funds used during construction is computed monthly by applying the A.F.U.D.C. rate to accumulated expenditures for specific major projects of all classes of property. The A.F.U.D.C rate is equivalent to the most recently authorized overall rate of return as approved by the Michigan Public Service Commission. The composite A.F.U.D.C. rate for 2012 was 7.19% per annum.

Payroll Taxes

Construction and retirement work orders are debited with costs of payroll taxes (FICA, FUTA, MUTA) distributed on the basis of direct construction and retirement labor charges. The percentage applied to direct labor includes an additional component which represents amounts applicable to indirect labor.

-

Note: See Page 217 for amounts capitalized.

DTE Gas Company | AN ORIGINAL | December 31, 2012

NOTES PAYABLE (Account 231)

1. Report the particulars indicated concerning notes payable at end of year.
2. Give particulars of collateral pledged, if any.
3. Furnish particulars for any formal or informal compensating balance agreements covering open lines of credit.
4. Any demand notes should be designated as such in column (d).
5. Minor amounts may be grouped by classes, showing the number of such amounts.

Line No.	Payee (a)	Purpose for which issued (b)	Date of Note (c)	Date of Maturity (d)	Int. rate (e)	Balance end of year (f)
1	Various Lenders of Commercial	For Gas in Underground Storage	Various	Various	Various	(109,983,220)
2	Paper Debt	and Other Working Capital				
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
	TOTAL					($109,983,220)

DTE Gas Company AN ORIGINAL December 31, 2012

PAYABLES TO ASSOCIATED COMPANIES (Accounts 233, 234)

1. Report particulars of notes and accounts payable to associated companies at end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234 Accounts Payable to Associated Companies, in addition to a total for the combined accounts.
3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.
4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year Debits (c)	Totals for Year Credits (d)	Balance End of Year (e)	Interest for Year (f)
1	Account 233					
2	DTE Energy Company	1,953,270	1,121,672,941	1,178,526,178	58,806,507	91,364
3	Blue Lake Holdings, Inc.	6,459,016	8,765,172	5,227,748	2,921,592	23,501
4						
5	Total (Account 233)	8,412,286	1,130,438,113	1,183,753,926	61,728,099	114,865

Note: Notes Payable to associated companies arise from the Inter-Company Loan Agreement.

Purpose: To provide a line of credit from associated companies.
Maturity Date: N/A
Interest Rate: Annually modified fixed rate.

DTE Gas Company AN ORIGINAL December 31, 2012

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company.
2. In column (b) describe the affiliation (percentage ownership, etc.).
3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, gas transportation services, dividends declared, etc.).
4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Citizens Gas Fuel Company	Subsidiary of DTE Enterprises	Admin. & General	920-00 - 926-00	
2	DTE Energy Resources, Inc.	Subsidiary of DTE Energy Company	Admin. & General	920-00 - 926-00	
3	DTE Biomass Energy, Inc.	Subsidiary of DTE Energy Resources	Admin. & General	920-00 - 926-00	783
4	South Romeo Gas Storage Company	Subsidiary of DTE Gas Storage Company	Admin. & General	920-00 - 926-00	
5			Tax Other than Income	408-10	
7	Midwest Energy Resource Company	Subsidiary of DTE Energy Company	Admin. & General	920-00 - 926-00	7,135
8					
9	DTE Michigan Gathering Holding Co.	Subsidiary of DTE Pipeline Company	Admin. & General	920-00 - 926-00	1,149
10			Tax Other than Income	408-10	62
11					
12	DTE Energy Corporate Services, LLC	Subsidiary of DTE Energy Company	Gas Transportation	489-20	99,097
13			Commercial & Indust Sales	481-00	131,913
14			Operations	495-00, 850-00 - 880-00	11,955
15					
16	DTE East China, LLC	Subsidiary of DTE Energy Services, Inc.	Gas Transportation	489-20 - 489-40	102,000
18					
19	Metro Energy, LLC	Subsidiary of DTE Energy Services, Inc.	Admin. & General	489-20	176,893
20					
21	DTE Energy Ventures, Inc.	Subsidiary of DTE Energy Company	Tax Other than Income	408-10	75
22			Admin. & General	920-00 - 926-00	1,060
23					
24	DTE River Rouge No. 1, L.L.C.	Subsidiary of DTE Energy Resources	Gas Transportation	489-20	111,061
25			Tax Other than Income	408-10	
26			Admin. & General	920-00 - 926-00	
27					
28	DTE Energy Services, Inc.	Subsidiary of DTE Energy Resources	Tax Other than Income	408-10	147
29			Admin. & General	920-00 - 926-00	2,694
30					
31	EES Coke Battery, LLC	Subsidiary of DTE Energy Services, Inc.	Tax Other than Income	408-10	106
32			Admin. & General	920-00 - 926-00	2,043
33					
34	DTE Michigan Gathering Company	Sub of DTE Michigan Gathering Hold Co.	Admin. & General	920-00 - 926-00	1,004,222
35			Operations	806-00, 850-00 - 880-00	1,448,344
36			Tax Other than Income	408-10	50,943
37					
38	Saginaw Bay Pipeline Company	Subsidiary of DTE Gas Company	Admin. & General	920-00 - 926-00	188,593
39			Tax Other than Income	408-10	5,665
40			Merch/Job Revenue	415-9	
41			Operations	850-00 - 880-00	104,841
42					
43	DTE Energy Trading, Inc.	Subsidiary of DTE Energy Resources	Gas Transportation	489-20 - 489-40	
44			Admin. & General	494-00	1,374,489
45			Admin. & General	920-00 - 926-00	814,388
46			Tax Other than Income	408-10	45,581
47					
48	DTE Pipeline Company	Subsidiary of DTE Gas Enterprises, LLC	Tax Other than Income	408-10	377
49			Admin. & General	920-00 - 926-00	4,959
50					
51	DTE Gas Storage Co.	Subsidiary of DTE Pipeline Company	Operations	495-00, 806-00 - 880-00	272,724
52			Merch/Job Revenue	415-9	
53			Tax Other than Income	408-10	25,423
54			Admin. & General	920-00 - 926-00	449,282
55					
56	DTE Electric Company	Subsidiary of DTE Energy Company	Gas Transportation	489-20	1,280,308
57			Admin. & General	494-00	653,196
58			Operations	850-00 - 880-00	846,134
59			Non-Utility Oper Rev	417-00	
60			Tax Other than Income	408-10	48,128
61			Commercial & Indust Sales	481-00	126,520
62					
63	DTE Michigan Lateral Company	Sub of DTE Michigan Gathering Hold Co.	Admin. & General	920-00 - 926-00	1,019,792
64			Operations	850-00 - 880-00	189,125
65			Tax Other than Income	408-10	48,239
66					
67	DTE Gas Services Company	Subsidiary of DTE Gas Holdings, Inc.	Admin. & General	920-00 - 926-00	51,333
68			Operations	495-00, 850-00 - 880-00	3,521
69			Merch/Job Revenue	415-9	
70			Tax Other than Income	408-10	2,882
71			Commercial & Indust Sales	481-00	97,379
72			Gas Transportation	489-20 - 489-40	235,058
TOTAL					11,039,619

DTE Gas Company AN ORIGINAL December 31, 2012

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.).

Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
		146-00	468	468	cost	1
		146-00	2,280	2,280	cost	2
		146-00	6,248	7,031	cost	3
		146-00	-	-	cost	4
				-	cost	5
			1,394	8,529	cost	7
						8
		146-00	1,027,149	1,028,298	cost	9
				62	cost	10
						11
		146-00	297,350	396,447	contract	12
				131,913	contract	13
				11,955	cost	14
						15
		146-00	-	102,000	contract	16
						18
			-	176,893	contract	19
						20
		146-00	88	163	cost	21
				1,060	cost	22
						23
		146-00	307	111,368	contract	24
				-	cost	25
				-	cost	26
						27
		146-00	714	861	cost	28
				2,694	cost	29
						30
		146-00	258	364	cost	31
				2,043	cost	32
						33
		146-00	312,627	1,316,849	cost	34
				1,448,344	cost	35
				50,943	cost	36
						37
		146-00	81,388	269,981	cost	38
				5,665	cost	39
419-00	565			565	cost	40
				104,841	cost	41
						42
		146-00	108,432	108,432	contract	43
				1,374,489	cost	44
				814,388	cost	45
				45,581	cost	46
						47
		146-00	1,318,204	1,318,581	cost	48
				4,959	cost	49
						50
		146-00	513,202	785,926	cost	51
415-00	2,200,000			2,200,000	cost	52
				25,423	cost	53
				449,282	cost	54
						55
		146-00	872,047	2,152,355	contract	56
				653,196	cost	57
				846,134	cost	58
417-00				-	cost	59
				48,128	cost	60
				126,520	contract	61
						62
		146-00	179,816	1,199,608	cost	63
				189,125	cost	64
				48,239	cost	65
						66
		146-00	1,827,440	1,878,773	cost	67
				3,521	cost	68
419-00	28,108			28,108	cost	69
				2,882	cost	70
				97,379	contract	71
				235,058	contract	72
	2,228,673		6,549,412	19,817,704		

DTE Gas Company AN ORIGINAL December 31, 2012

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company.
2. In column (b) describe the affiliation (percentage ownership, etc.).
3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, gas transportation services, dividends declared, etc.).
4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	DTE Energy Company	Parent Company	A&G Expense	920-935	715,834
2					
3	DTE Electric Company	Subsidiary of DTE Energy Co.	O&M Expense	580, 816-893	49,824
4			Customer Service	902-916	937,643
5			Sales Promotion	911 - 913	42
6			A&G Expense	920 - 926	1,085,123
7			Rent Expense	931	16,578,528
8			Taxes Other	408	70,636
9			Miscellaneous Non-op		
10			Gas Revenue	495	648
11					
12	DTE Energy Corporate Services, LLC	Susidiary of DTE Energy Company	O&M Expense	816-893	10,378,974
13			Customer Service	901 - 910, 916	40,713,051
14			Sales Promotion	911 - 913	240,444
15			A&G Expense	920 - 930	59,442,484
16			Taxes Other	408	11,308,970
17			Miscellaneous Non-op		
18			Construction		
19					
20	DTE Energy Trading, Inc.	Subsidiary of DTE Energy Resources	O&M Expense	859	1,432
21					
22	EES Coke Battery	Subsidiary of DTE Energy Services, Inc			
23					
24	Syndeco Realty Corp.	Susidiary of DTE Energy Company	O&M Expense	816-893	4,778
25				908	426
26					
27	DTE Michigan Gathering Company	Sub of DTE Michigan Gathering Hold Co.	O&M Expense	804, 806	3,133,424
28					
29	Saginaw Bay Pipeline Company	Subsidiary of DTE Gas Company	O&M Expense	858	225,092
30					
31	DTE Gas Storage Company	Susidiary of DTE Gas Enterprises, LLC	O&M Expense	804 - 859	165,000
32					
33	Washington 10 Storage Partnership	Susidiary of DTE Gas Enterprises, LLC	O&M Expense	859	6,750
TOTAL					145,059,103

DTE Gas Company AN ORIGINAL December 31, 2012

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.).

Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
				715,834	Cost	1
						2
				49,824	Cost	3
				937,643	Cost	4
				42		5
				1,085,123	Cost	6
				16,578,528	Cost	7
				70,636	Cost	8
415-426	270,754			270,754	Cost	9
		106	1,429,365	1,430,013	Cost	10
						11
				10,378,974	Cost	12
				40,713,051	Cost	13
				240,444	Cost	14
				59,442,484	Cost	15
				11,308,970	Cost	16
415 - 426	2,006,597			2,006,597	Cost	17
		106	20,916,621	20,916,621	Cost	18
						19
				1,432	Cost	20
						21
421	15,243			15,243	Cost	22
						23
				4,778	Cost	24
				426		25
						26
				3,133,424	Cost	27
						28
430				225,092	Cost	29
						30
				165,000	Cost	31
						32
				6,750	Cost	33
	2,292,594		22,345,986	169,697,683		

DTE Gas Company
2012 Affiliated Companies Balance Statement

	C222	C223	T226
	PERIODIC	PERIODIC	PERIODIC
(in thousands)	Dollars	Dollars	Dollars
DTE Gas Company	MichCon Development Corp	Blue Lake Holdings	Saginaw Bay Pipeline Company
Gas Utility - Total Segment	Actuals - 2012.DEC	Actuals - 2012.DEC	Actuals - 2012.DEC
	Periodic	Periodic	Periodic
Total Assets	$0	$10,905,271	$4,370,821
Current Assets		$2,921,592	$63,503
Cash and Cash Equivalents			
Restricted Cash			
Accounts Receivable			$23,842
Customer Accounts Receivable			$9,669
Accrued Unbilled Revenues			$3,975
Regulated Under Recovery			
Other Accounts Receivable			$10,198
Notes Receivable		$2,921,592	-$32,167
Inventories			
Fuel Inventory			
Gas Inventory			
Inventory for Goods, Materials and Supplies			
Current Assets from Risk Management and Trading			
Current deferred income taxes			
Other Current Assets			$71,828
Deferred Debits			
Other Current Assets			$71,828
Investments		$6,915,923	
Nuclear decomissioning trust funds			
Other Investments		$6,915,923	
Property			$4,222,016
Property, Plant and Equipment			$23,687,115
Property Under Capital Leases			
Accumulated Depreciation, Depletion, and Amortization			-$19,465,099
Other Assets	$0	$1,067,756	$85,302
Goodwill			
Regulatory Assets			
Securitized Assets			
Long-Term Notes Receivables			
Long-Term Assets from Risk Management and Trading			
Prepaid Pension Assets			
Long-term deferred income taxes	$0	$1,067,756	$85,302
Other Intangible Assets Net			$0
Total Other Long Term Assets			

DTE Gas Company
2012 Affiliated Companies Balance Statement

	C222	C223	T226
	PERIODIC	PERIODIC	PERIODIC
(in thousands)	Dollars	Dollars	Dollars
DTE Gas Company	MichCon Development Corp	Blue Lake Holdings	Saginaw Bay Pipeline Company
Gas Utility - Total Segment	Actuals - 2012.DEC	Actuals - 2012.DEC	Actuals - 2012.DEC
	Periodic	Periodic	Periodic
Total Liabilities and Shareholders Equity	$0	$10,905,271	$4,370,821
Liabilities	$0	$2,762,131	$1,904,213
Current Liabilities	$0	-$45,077,262	-$38,325
Accounts Payable			$80,990
Interest Payable			
Dividends Payable			
Accrued Payroll			
Accrued Vacation			
Regulated Over Recoveries			
Income Taxes Payable	$0	-$45,077,262	-$150,089
Current Deferred Income Taxes			$0
General Taxes	$0	$0	$30,774
Gas Inventory Equalization			
Short-Term Borrowings			
Current Portion of Long-Term Debt including Capital Leases			
Current Liabilities from Risk Management & Trading			
Other Current Liabilities			
Other Non-Current Liabilities	$0	$47,839,393	$1,942,538
Deferred Income Taxes	$0	$47,839,393	$1,182,488
Regulatory Liabilities			
Asset Retirement Obligations			$760,050
Unamortized Investment Tax Credits			
Long-Term Liabilities from Storage & Transportation Contract			
Long-Term Liabilities from Risk Management Activities and Tr			
Accrued Pension Liabilities			
Accured Post Retirement Benefit Costs			
Accrued Environmental Costs			
Deferred Gains from Asset Sales			
Minority Interest			
Nuclear Decommissioning			
Other Long-Term Liabilities			
Long-Term Debt (Net of Current Portion)			
Mortgage Bonds, Notes and Other			
Securitized Bonds			
Equity-Linked Securities			
Trust Preferred-Linked/Jr Sub Notes			
Capital Lease Obligations			
Shareholders Equity	$0	$8,143,141	$2,466,608
Common Stock	$17,847,171	$7,490,192	$9,275,597
Retained Earnings	-$17,847,171	$652,949	-$6,808,989
Accum other Comprehensive Income			
Equity Bridging			

DTE Gas Company
2012 Affiliated Companies Income Statement

	C222	C223	T226
	YTD	YTD	YTD
(in thousands)	Dollars	Dollars	Dollars
DTE Gas Company	MichCon Development Corp	Blue Lake Holdings	Saginaw Bay Pipeline Company
Gas Utility - Total Segment	Actuals - 2012.DEC	Actuals - 2012.DEC	Actuals - 2012.DEC
	Year To Date	Year To Date	Year To Date
Total Operating Revenue			$317,088
Total Operating Expenses			$792,875
Fuel, PP & Gas			
Operation and Maintenance			$298,850
DEP, Depletion & Amort			$331,885
Taxes, Other than Income			$162,141
Asset (Gains) And Losses			
Merger and Restructuring			
Operating Income			-$475,787
Total Other (Income) & Deductions	-$86,235	-$3,986,186	$483
Interest Expense	$955		$565
Interest Income		-$23,501	-$82
Minority Interest			
Other Income	-$87,190	-$3,962,685	
Other Expenses			
Income (Loss) Before Income Taxes	$86,235	$3,986,186	-$476,270
Income Taxes	$33,366	$1,552,960	-$166,694
Income From Continuing Operations	$52,869	$2,433,227	-$309,577
Income / (Loss) from Dist Oper Net Tax			
Cum Effect Acct. Changes Net of Tax			
Extradordinary Income - (Losses)			
Net Income	$52,869	$2,433,227	-$309,577

DTE Energy Company
One Energy Plaza, Detroit, MI 48226-1221

DTE Energy
MichCon

October 31, 2012

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

RE: Transfer of Assets from Michigan Consolidated Gas Company to associated company MichCon Fuel Services Company

Dear Executive Secretary,

With this letter Michigan Consolidated Gas Company (MichCon) is providing 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. A complete description of the transaction is provided below.

THE PARTIES

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

MichCon Fuel 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. MichCon Fuel Services Company is a wholly owned subsidiary of MichCon Holdings, Inc.

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

THE TRANSACTIONS

MichCon provides this notice to the Commission of the transfer of CNG equipment owned by MichCon to MichCon Fuel Services Company. The transfer of assets is proposed at net book value as of September 30, 2012, which is believed to be equal to fair market value. These assets were designed specifically to meet MichCon business needs and are unique to MichCon locations and therefore a market does not exist for these assets. This equipment was purchased by MichCon prior to 2010.

MichCon is also providing notice to the Commission of the transfer of NGV conversion costs incurred in 2010 and 2011 to MichCon Fuel Services Company. The 173 NGV vehicle conversions to date were subsidized with an Alternative Fuel Transportation grant from the DOE (Clean Energy Coalition). The proposed transfer is the conversion costs incurred by MichCon net of the grant reimbursement received. No vehicles are being transferred, only the cost of the conversion kits. Book equals market because the installed kits cannot be separated from the asset; thus, there is no market value.

Accounting entries are shown on Attachment 1 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. In the event, however, that the Commission determines approval is required, please consider this letter a request for expedited approval so that the Parties may complete this transaction as soon as practicable. Absent written notice to the contrary within 30 days of the date of this letter, the Parties will assume no further action is required and will consummate the transaction as planned.

Respectfully submitted,

Peter M. Rynearson
Controller, MichCon
One Energy Plaza
Detroit, MI 48226

Attachment 1
Page 1 of 2

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

	Acct No.	Description	Amount	
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

Attachment 1
Page 2 of 2

Michigan Consolidated Gas Company
Detail Plant and Accumulated Depreciation for CNG Equipment

Line No.	Acct No. (Col. 1)	Description (Col. 2)	Amount (Col. 3)
Plant Balances @ 9/30/2012			
1	39410	Tools, Shop and Garage Equipment	$ 882,263.08
2	39810	Miscellaneous Equipment	1,188,902.41
3		Total Plant A/C 10100	$ 2,071,165.49
Accumulated Depreciation @ 9/30/2012			
4	10800	Accum prov for deprec of utility plant	$ 1,104,707.59
5		Total Plant Accum. Depr.	$ 1,104,707.59
6		Net Investment	$ 966,457.90