

Detroit Edison



A DTE Energy Company

December 16, 1999

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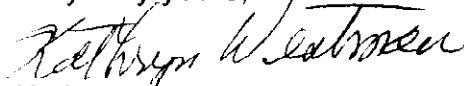
Re: MPSC Case No: U-I 2251
Application for Extension of Rates of R13

Dear Ms. Wideman:

Please find enclosed for filing with the Commission an original and four copies of Detroit Edison's Application for Extension of Rates. Also enclosed are two additional copies, which I ask to be stamped and returned in the envelope I have enclosed.

Thank you

Very truly yours,


Kathryn L. Westman

KLWsb
Enc.

cc: Patricia Barone, Esq.
Donald Erickson, Esq.
Wm. R. Ralls, Esq.
Clinton A. Vince, Esq.
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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of THE	)	
DETROIT EDISON COMPANY for	)	
amendment and extension of the R13	)	Case No: U-12251
dispersed generation rider.	)	
_____	)	

APPLICATION FOR EXTENSION OF RATES

THE DETROIT EDISON COMPANY ("Applicant" or "Company") files this application for amendment and extension of a certain existing dispersed generation rider, and in support thereof states:

1. Applicant is a Michigan corporation with offices at 2000 Second Avenue, Detroit, Michigan and is engaged in the supply of electric service to retail customers in southeastern Michigan subject to the jurisdiction of the Michigan Public Service Commission ("Commission").
2. Applicant currently makes payments to customers under the existing voluntary Standard Contract Rider No. 13 – Dispersed Generation – when they operate on-site generators at the request of the Company.
3. Pursuant to the terms of the Commission's order in Case No. U-11687, the two year Rider 13 is set to expire December 31, 1999.
4. Detroit Edison has evaluated the option of continuing the availability of Standard Contract Rider No. 13 ("DGR") in light of the December, 1999 termination date and the continually changing electric power market and believes that an extension of Rider R13 through December 31, 2002 is warranted.
5. The existing DGR had participation by 14 customers at 19 locations in 1998 and 1999 resulting in a net output of about 4500 MWH in 1998 and 5000 MWH in 1999. This customer generation was roughly equivalent to 100 MW of additional Michigan generation at times of greatest system load. The average payment for this

generation was in the range of \$200-\$400/MWH which was paid at rates less than or comparable to top incremental cost. On average participating customers were called on 8 or 9 times each year for a total running time of about 75 hours each year. Some of these customers were only able to operate a part of these times.

6. With the successful completion of two years utilizing DGR Detroit Edison believes even more customer participation from the DGR could be obtained by making the Rider more flexible. More flexibility can be achieved through the availability of payment options for generation capacity under various terms and conditions. Participating customers can then offer a variety of energy products at prices reflecting market conditions

7. By making the DGR more flexible Detroit Edison can maximize the available MW capacity which benefits all Michigan customers by increasing reliability through increased in-state generation and reducing need for out-of-state energy imports,

8. Extending the DGR and amending the payment terms will not result in an increase in the cost of service to Applicant's customers at this time and may be approved without notice and hearing as provided by MCL 460.6a;MSA 22.13(6a).

WHEREFORE, Applicant requests that the Commission approve ex parte the attached Dispersed Generation Rider No. 13 as expeditiously as possible.

Respectfully submitted,

THE DETROIT EDISON COMPANY


Larry G. Garberding
Executive Vice-President
And Chief Financial Officer


Kathryn L. Westman P22213
Legal Department
2000 Second Avenue, 688 WCB
Detroit, MI 48226
(313) 235-8477

Dated: December 15, 1999

STANDARD CONTRACT RIDER No. 13
DISPERSED GENERATION

AVAILABILITY OF SERVICE: Available to customers which have on-site generators desiring a voluntary dispersed generation payment for operating their generation at the request of the Company. The customer must have on-site generation of at least 250 kW capacity at a single location. This rider is effective for service rendered on or **after** May 15, 1998.

TERMS OF SERVICE: Customers will be requested to operate generation upon notice from the Company. The customer shall be provided, whenever possible, notice in advance of such probable requests and estimated duration of the request. Such requests are at the discretion of the Company.

PAYMENT TERMS: The Company and the customer will mutually agree on the prices, terms, and conditions for dispersed generation power. Such payment terms will reflect the type of service including, but not limited to energy only, capacity, seasonal, hourly, daily, monthly, etc.

The amount of generator output will be verified by metered quantities whenever possible. Where the amount of generator output is not directly metered, the Company and the customer will mutually agree on calculation methods. The customer shall agree to provide information in order to make such calculations.

No payment will be made for load reduction required by Emergency Electrical Procedures as defined under Rule B-3.7.

SPECIAL TERMS AND CONDITIONS: Special metering is at the option and expense of the customer. The customer is required to provide the Company with notification methods to be used and provide the Company with current customer personnel responsible for such notification of load transfer requests. Customers desiring to operate generators in parallel with the Company's system must comply with the requirements of the Company's Interconnection Guidelines.

TERM: This rider expires December 31, 2002.

M/158b

Issued: June 19, 1998
By: L.G. Garberding
Executive Vice President
and Chief Financial **Officer**
2000 Second Avenue
Detroit, Michigan 48226

Effective for service rendered on
and after May **15, 1998** under
authority of order of the Michigan
Public Service Commission dated
June 2, 1998 in Case U-I 1687