

Detroit Edison



December 16, 1999

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Ms. Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909-7721

Re: MPSC Case No: U-12252
Application for Extension of Rates of D1.7

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 Westman
Kathryn L. Westman

KLWsb
Enc.

cc: Patricia Barone, Esq.
Donald Erickson, Esq.
Wm. R. Ralls, 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 residential)	Case No: U-12252
service D1.7 Experimental Space)	
Conditioning, Water Heating, Electric)	
<u>Vehicle Time Of Day Service Rate)</u>	

APPLICATION FOR EXTENSION OF RATES

THE DETROIT EDISON COMPANY ("Applicant" or "Company") files this application for amendment and extension of a certain residential service rate, 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 serves its customers under electric rates approved by the Commission in its Opinion and Orders issued in Case No. U-10102 and through various service contracts approved by the Commission.
3. Applicant currently provides electric service to over 2,600 residential customers served on D1.7 – Experimental Space Conditioning, Water Heating, Electric Vehicle Time Of Day Service Rate.
4. Pursuant to the terms of the Commission's final order in Case No. U-9853, D1.7 is set to expire December 31, 1999.
5. D1.7 was originally approved in 1991 in Case No. U-9853 as an experimental tariff for up to 1,000 customers.

6. On December 21, 1994 the Commission issued an order in Applicant's last main electric rate proceeding, Case No. U-10102, simplifying the D1.7 rate structure and increasing the availability to 3,000 customers.

7. Detroit Edison has evaluated the option of continuing the availability of D1.7 and believes that this rate should be made permanent and that the availability, which is currently limited to 3,000 customers, be increased to 5,000.

8. Seventy-Five to Eighty percent of the customers served on D1.7 are geothermal heating and cooling customers. The Company is supportive of geothermal systems for their environmental benefits and because of their load characteristics. Geothermal systems are environmentally clean and, by using the renewable energy of the earth, are four times as efficient as conventional systems. Geothermal systems add load in the winter (79% of total load occurs between October and May) while reducing load in the summer as geothermal systems are more efficient than conventional air conditioners.

9. Customers considering geothermal systems must weigh the relatively high installation costs against the offsetting lower operating costs. Customers in the past have performed their economic evaluations and made their purchase decisions based on the continued existence of the D1.7 rate.

10. Under these circumstances, continuing D1.7 on a permanent basis and extending the availability to 5,000 is reasonable. The D1.7 rate, including the amended page of the rate sheet to reflect the increase to 5000, is attached as Appendix A.

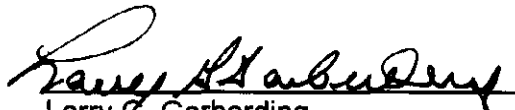
11. In the alternative, if the Commission does not wish to extend this rate to additional customers, the Company would propose that existing customers served under this rate as of December 31, 1999 be allowed to continue service under this rate.

12. Extension of existing D1.7 will not alter any existing electric rate paid by Applicant's other customers and therefore ex parte treatment is appropriate pursuant to MCL 460.6a.

WHEREFORE, Applicant requests that the Commission grant ex parte approval of the amendment and extension of existing residential service rate D1.7 attached hereto as Appendix A.

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

SPACE CONDITIONING, WATER HEATING,
ELECTRIC VEHICLE TIME OF DAY SERVICE RATE

AVAILABILITY OF SERVICE: Availability on an optional basis to no more than 5,000 residential customers desiring separately metered **service** for approved space conditioning **and/or** water heating. The rate will not be administered to discriminate in favor of Company personnel. To qualify for the rate the water heater must be for sanitary purposes with the tank size, design and method of installation approved by the company. The space conditioning equipment must be permanently installed.

This rate is also available to customers desiring service to a separately metered circuit for which the sole purpose is the charging of licensed electric vehicles. Customers taking service under this provision are not subject to the 5,000 customer limitation. A statistically significant sample of participants will receive demand meters.

HOURS OF SERVICE: 24 Hours

CURRENT, PHASE AND VOLTAGE: Same as **D1** and D3 Rates

RATE PER DAY:

Service Charge:
7.0¢ per customer per day, plus

Energy Charge:
For the billing months of June through September:
14.05¢ per kWh for all on-peak kWh
3.90¢ per kWh for all off-peak kWh

For the Billing months October through May:
7.05¢ per kWh for all on-peak kWh
2.90¢ per kWh for all off-peak kWh

On-peak hours, all kWh used between 1000 and 1900 hours Monday through Friday, including holidays.

Off-peak hours, all other kWh used.

BASE RATE REDUCTION: A credit of 0.19730¢ per kWh applied to all kWh.

POWER SUPPLY COST RECOVERY FACTOR: The energy charge in the above rate is subject to the provisions of Schedule Designation **B-4.6**.

SURCHARGES AND CREDITS: As approved by the Commission. See Schedule Designation B-4.9

LATE PAYMENT CHARGE: See Schedule Designation B-2.10.

MINIMUM CHARGE: The Service Charge.

CONTRACT TERM: The customer shall contract to remain on this rate for at least 12 months terminable on three days notice after the initial 12 months by either party. Where **special** services are **required**, the term will be specified on the applicable contract rider.

INSULATION STANDARDS FOR ELECTRIC HEATING: See Schedule Designation B-2.12.

M/I 00c

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

Effective for service rendered on
and after January 1, 2000 under
authority of order of the Michigan
Public **Service** Commission in Case
_____ dated _____