

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of The)
Detroit Edison Company for certain)
determinations pursuant to Sections 32(c))
and (d) of the Public Utility Holding Company)
Act of 1935 and for accounting approval)
for the transfer of certain assets)
_____)

Case No: U-12266

APPLICATION

The Detroit Edison Company (“Edison”) requests the Commission to make certain determinations pursuant to Sections 32(c) and 32(d)(2) of the Public Utility Holding Company Act of 1935 (PUHCA), and to approve the accounting necessary for the transfer of the River Rouge Unit No. 1 Power Plant from Edison to DTE River Rouge No. 1 LLC (“DTE River Rouge”) an affiliated company. In support of this Application Edison states as follows:

1. Edison is a Michigan corporation with offices at 2000 Second Avenue, Detroit, Michigan 48226 and is a wholly owned subsidiary of DTE Energy, Inc. Edison is engaged in the generation and sale of electricity to customers in southeastern Michigan under retail rates and contracts approved by the Michigan Public Service Commission (“Commission”).

2. DTE River Rouge is a Michigan limited liability company formed to restart, own and operate the River Rouge Unit No. 1 Power Plant (“Rouge 1”), located in River Rouge, Michigan. Rouge 1 was built in the 1950’s to operate on coal, and was removed from active service in 1980. The unit will be transferred by Edison to DTE River Rouge, converted to natural gas, restarted and operated by DTE River Rouge to produce approximately 225 MW of seasonal peaking

generating capacity for competitive sale to electric retailers serving load in the Michigan electric market to supply needed summer peaking capacity for 2000 and 2001. DTE River Rouge will make a significant investment to convert the unit for service on natural gas.

Application for Status as an Exempt Wholesale Generator

3. DTE River Rouge qualifies for status as an exempt wholesale generator (EWG) as that term is defined in Section 32 of PUHCA; 15 USC § 79z-5a(c)(d). DTE River Rouge is a wholly owned subsidiary of DTE Generation, Inc., which is a wholly owned subsidiary of DTE Energy Resources, Inc., a subsidiary of DTE Energy, Inc., Edison's parent holding company. Thus, DTE River Rouge is an affiliate of Edison as that term is used in PUHCA.

4. A rate or charge for, or in connection with, the construction of Rouge 1 was in effect under the Laws of the State of Michigan on October 24, 1992. As a result, pursuant to Sections 32(c) and 32(d)(2) of PUHCA ownership of Rouge 1 by DTE River Rouge as an EWG requires the Commission to make a specific determination that allowing such facility to be an "eligible facility" under PUHCA (1) will benefit consumers, (2) is in the public interest and, (3) does not violate state law.

5. Edison believes that qualification of DTE River Rouge as an EWG is reasonable for the following specific reasons:

A. The Commission has recognized the immediate need for additional summer peaking capacity and has solicited many potential generation developers and marketers to encourage them to build additional in-state generation. Edison also has recognized the need for

additional summer peaking capacity and has issued a Request for Proposal last Fall for up to 1,000 MW of in-state peaking generation capacity. Edison did not receive any responses for significant in-state capacity for the Summer, 2000 other than from DTE River Rouge. The restart of Rouge 1 by DTE River Rouge will provide needed additional in-state peaking capacity for the summer months of 2000 and hence benefit consumers. The arrangement does not result in the creation of additional stranded costs for Edison since DTE River Rouge assumes the risk of recovery of the investment needed to return Rouge 1 to service.

B. The Commission also has issued formal appeals to energy marketers to encourage them to enter Michigan's electric market and participate in the Electric Choice program. The sale of Rouge 1 output to electric retailers for the Michigan electric market could provide critical in-state capacity to jump-start the Electric Choice Program. The restart of Rouge 1 by DTE River Rouge is in the public's interest.

C. The arrangement does not violate any Michigan law.

6. Edison requests the Commission to make the specific determination and findings as described in paragraphs 3 and 4 above in a final order issued in this docket as expeditiously as possible.

Transfer of Assets From Edison to DTE River Rouge

7. Edison seeks to transfer Rouge 1 to DTE River Rouge effective with an Order in this docket. An Asset Transfer Agreement which will be executed by Edison and DTE River Rouge is included as Exhibit A.

8. The Asset Transfer Price of Rouge 1 will be approximately \$6.6 million, which represents a value twice the net book value of the unit. The reasonableness of the transfer price is supported by the Affidavit of David B. Harwood, included as Exhibit B.

9. When regulated utility property with an original cost of \$100,000 or more is sold, conveyed or transferred to a subsidiary or associated company, the Uniform System of Accounts, "Electric Plant Instruction 5 - Electric Plant Purchased or Sold," paragraph 6, requires the utility within six months from the date of acquisition or sale of the property to furnish the Commission the particular support of its determination of the value of the property and request approval of the proposed journal entries to record the transaction.

10. In accordance with these provisions, Edison respectfully submits for approval the proposed accounting journal entries which specify the net book value of Rouge 1. Support for the proposed accounting treatment is set forth in the Affidavit of Joseph E. Fennell, Jr., included as Exhibit C. The proposed accounting journal entries are as follows:

A.	Debit Account 102 – Electric Plant Purchased or Sold	\$24,260,973.00
	Credit Account 101 – Electric Plant in Service	\$24,260,973.00
B.	Debit Account 108 – Accumulated Provision for Depreciation of Electric Plant	\$20,964,215.08
	Credit Account 102 – Electric Plant Purchased or Sold	\$20,964,215.08
C.	Debit Account 143 – Accounts Receivable	\$ 6,593,515.84
	Credit Account 102 – Electric Plant Purchased or Sold	\$ 6,593,515.84
D.	Debit Account 102 – Electric Plant Purchased or Sold	\$ 3,296,757.92
	Credit Account 242 – Miscellaneous Current and Accrued Liabilities	\$ 3,296,757.92
E	Debit Account 131 – Cash	\$ 6,593,515.84
	Credit Account 143 – Accounts Receivable	\$ 6,593,515.84

F.	Debit Account 242 – Miscellaneous Current and Accrued Liabilities	\$ 3,296,757.92
	Credit Account 131 – Cash	\$ 3,296.757.92

11. Approval of the accounting for the asset transfer will not result in an increase in the rates for Edison’s customers and therefore, Edison requests approval on an ex parte basis pursuant to MCL 460.6a.

12. Edison and DTE River Rouge may enter into an Operations and Maintenance Agreement by which Edison will operate all or a part of Rouge 1 on DTE River Rouge’s behalf.

13. The arrangement with DTE River Rouge involves significant financial risk. Because the conversion and restart of Rouge 1 has limited economic value except as a source of seasonal peaking capacity, the project will not be completed unless DTE River Rouge obtains EWG status and the procedure for determining the accounting for the asset transfer are unconditionally approved.

14. Edison urges the Commission to promptly grant this Application so that this peaking capacity is available before the summer. The transaction cannot proceed unless and until the Federal Energy Regulatory Commission finds that DTE River Rouge is an EWG. FERC will not accept an application for determination of EWG status for a unit such as Rouge 1 which has been in rate base until the state commission has made the specified findings. *FTM Energy Inc.*, 74 FERC ¶ 61,312 (1996). Hence implementation of this transaction could be delayed for up to 60 days (the time in which FERC is required to act on an EWG application) following the date the Michigan Public Service Commission renders these findings.

WHEREFORE, Edison respectfully requests the Commission to:

A. Issue an Order making the determinations identified in paragraph 4 of this Application under Sections 32(c) and 32(d)(2) of PUHCA;

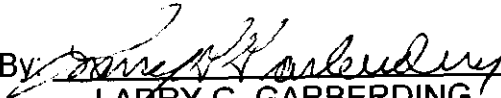
B. Grant the necessary accounting approvals to transfer the Rouge 1 asset to DTE River Rouge effective with an Order issued in this case, specifically:

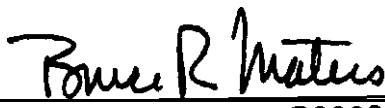
1.	Debit Account 102 – Electric Plant Purchased or Sold	\$24,260,973.00
	Credit Account 101 – Electric Plant in Service	\$24,260,973.00
2.	Debit Account 108 – Accumulated Provision for Depreciation of Electric Plant	\$20,964,215.08
	Credit Account 102 – Electric Plant Purchased or Sold	\$20,964,215.08
3.	Debit Account 143 – Accounts Receivable	\$ 6,593,515.84
	Credit Account 102 – Electric Plant Purchased or Sold	\$ 6,593,515.84
4.	Debit Account 102 – Electric Plant Purchased or Sold	\$ 3,296,757.92
	Credit Account 242 – Miscellaneous Current and Accrued Liabilities	\$ 3,296,757.92
5.	Debit Account 131 – Cash	\$ 6,593,515.84
	Credit Account 143 – Accounts Receivable	\$ 6,593,515.84
6.	Debit Account 242 – Miscellaneous Current and Accrued Liabilities	\$ 3,296,757.92
	Credit Account 131 – Cash	\$ 3,296.757.92

C. Find that the public interest will be adequately protected without the time and expense of a public hearing, and

D. Grant such other and further relief as may be lawful, necessary and proper.

THE DETROIT EDISON COMPANY

By: 
LARRY G. GARBERDING
Executive Vice President &
Chief Financial Officer


BRUCE R. MATERS P28080
Attorney for Detroit Edison
2000 Second Avenue
Detroit, MI 48226
3131235-7481

Dated: December 28th, 1999

ASSET TRANSFER AGREEMENT

This Asset Transfer Agreement ("Agreement") dated as of _____, 1999 is made by and between The Detroit Edison Company ("Seller") and DTE River Rouge No 1, LLC. ("Buyer").

WITNESSETH:

WHEREAS, the Seller has agreed to sell, assign, convey, transfer and deliver all of its right, title and interest in the River Rouge Unit 1 turbine generator, boiler and certain related equipment described in more detail on Schedule 1 attached and made a part hereof (the "Purchased Assets") to the Buyer, and the Buyer has agreed to purchase and acquire the Purchased Assets from the Seller; and

WHEREAS, the Seller and the Buyer have agreed to enter into this Agreement pursuant to which the Purchased Assets will be conveyed to the Buyer.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged the Parties agree as follows:

1. Seller sells, assigns, conveys, transfers and delivers to the Buyer, its successors and assigns, free and clear of all liens and encumbrances, all of the Seller's right, title and interest in and to the Purchased Assets, to have and to hold the Purchased Assets unto the Buyer, its successors and assigns, for its and their own use and benefit, forever.
2. The price for the Purchased Assets is \$6,593,515.84 and will be paid by the Buyer to the Seller within ten (10) working days of the date this Agreement is executed and delivered.
3. The Seller warrants to the Buyer, that immediately prior to the delivery of this Agreement, the Seller was the owner of good and valid title to the Purchased Assets, and that good and marketable title to the Purchased Assets is vested in the Buyer free and clear of all liens, claims encumbrances and rights of others, subject however to the Seller's Deed of Trust which the Seller agrees to obtain a release from, and the Seller will warrant and defend such title forever against all claims and demands whatsoever.
4. THE PURCHASED ASSETS ARE CONVEYED AS IS, WHEREAS, WITHOUT ANY WARRANTY (EXCEPT AS TO THE TITLE AS PROVIDED IN SECTION 3).

5. At any time, and from time to time, after the delivery of this Agreement, at the Buyer's request and without further consideration, the Seller will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all and every such further acts, conveyances, transfers, assignments, powers of attorney and assurances as the Buyer reasonably may require more effectively to convey, transfer to or vest in the Buyer the Purchased Assets or to better enable the Buyer to realize upon or otherwise enjoy any of the Purchased Assets or to carry into effect the intent and purposes of the Agreement.

6. Miscellaneous

6.1. This Agreement sets forth the entire understanding of the parties with respect to the subject matter thereof and supersedes all prior agreements or understandings.

6.2. This Agreement is the product of negotiation and neither party shall be deemed to be the drafter of this Agreement or any part thereof.

6.3. Nothing contained in this Agreement, whether expressed or implied, is intended to confer upon any person or entity, other than the parties hereto, any rights or remedies.

6.4. The Buyer may assign this Agreement to any affiliated or successor entity.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first written above.

The Detroit Edison Company

DTE River Rouge No 1, LLC

By: _____
Its: _____

By: _____
Its: _____

/River Rouge/ATA (5)

SCHEDULE 1				
River Rouge Power Plant Unit 1				
Profile ID	Category	Asset ID	Description	Location
312AA	312010	00797236	BOILER PRESSURE TRIP SYSTEM	0020106001
312AA01	312010	00797083	BLR SUPORT STL TRANS. FROM 311	0020106001
312AA01	312010	00797199	DELAYED CHARGE TO 312A800 CORR	0020106001
312AA01	312010	00797379	BABCOCK & WILCOX STMGENERATOR	0020106001
312AA01	312010	00847563	FIRE DETECTION SYSTEM	0020106001
312AA05	312010	00797267	BAFFLES IN REHEAT SECTION	0020106001
312AA07	312010	00797346	SUPERHEATER STAINLESS STL SHIE	0020106001
312AB	312010	00797400	6 PRIMARY AIR FANS STURTEVANT	0020106001
312AB	312010	00797401	FORCED DRAFT FANS, 2FANS AMER.	0020106001
312AB	312010	00797402	FORCED DRAFT FANS, 2 MTRS 600H	0020106001
312AB	312010	00797403	FORCED DRAFT FANS, 2 COUPLINGS	0020106001
312AB	312010	00797404	INDUCED DRAFT FANS, 2 FNS BUFF	0020106001
312AB	312010	00797405	INDUCED DRAFT FANS, 2MTRS, 250	0020106001
312AB	312010	00797406	INDUCED DRAFT FANS, 2 FLUID DR	0020106001
312AB	312010	00797407	INDUCED DRAFT FANS, 4 COUPLING	0020106001
312AB	312010	00797408	HT GAS REC;R FANS, 2FANS AMER	0020106001
312AB	312010	00797409	HT GAS REC;R FANS, 2 MTRS, GE,	0020106001
312AB	312010	00797410	HT GAS REC;R FANS, 2 COUPLINGS	0020106001
312AB	312010	00797411	FORCED & INDUCED DRAFT FAN FOU	0020106001
312AB	312010	00797412	6 FAN MTRS GE 200HP 812270 THR	0020106001
312AB	312010	00797413	1 SEALING AIR TURBO-BLOWER 120	0020106001
312AB01	312010	00797375	ADDITIONAL HANGERS & REINFORCE	0020106001
312AB01	312010	00797422	AIR DUCT FROM FORCED DRAFT FAN	0020106001
312AB02	312010	00797423	3 PREHTRS LUJSTROM REGENERATIV	0020106001
312AB04	312010	00798060	MECHANICAL RETIFIERS FPC AUDIT	0020106001
312AB05	312010	00797426	STEEL STACK 30' ID AT BOT. 13'	0020106001
312AB05	312010	00797427	BRICK LINING OF STACK	0020106001
312AB05	312010	00797428	24 FLOODLIGHTS, ON ROOF - 100	0020106001
312AC	312010	00797436	DRAIN COOLER #1, 5,262,000 BTU	0020106001
312AC	312010	00797437	DRAIN COOLER #2, 8,266,000 BTU	0020106001
312AC	312010	00797438	3 COMB. HORIZ. BLR FEED PMPS,	0020106001
312AC	312010	00797439	3 FLUID DRIVES, CAP. 3525HP #7	0020106001
312AC	312010	00797440	3 MTRS, 4000HP, ALLIS CH., 156	0020106001
312AC04	312010	00797455	2 HTR DRAIN PMPS INGERSOLL-RAN	0020106001
312AC04	312010	00797456	2 HTR DRAIN PMP MTRS, 350HP #8	0020106001
312AC04	312010	00798001	2 WTR HTRS #1, 76,443,000 BTU/	0020106001
312AC04	312010	00798002	1 WTR HTR #2, 59,5966,000 BTU/	0020106001
312AC04	312010	00798003	1 WTR HTR #3, 59,298,000 BTU/H	0020106001
312AC04	312010	00798004	1 WTR HTR #4, 64,600,000 BTU/H	0020106001
312AC04	312010	00798005	1 WTR HTR #5, 85,017,000 BTU/H	0020106001
312AC04	312010	00798006	2 WTR HTRS #6, 86,240,000 BTU/	0020106001
312AC04	312010	00798007	2 WTR HTRS #7, 137,275,000 BTU	0020106001
312AC04	312010	00798091	NITROGEN CAPPING SUPPLY SYSTEM	0020106001
312AG01	312010	00797258	B.F.G.-UNIT 1 PURGE PIPING - 3	0020106001
312AG01	312010	00797299	B.F.G.-UNIT 1 PURGE PIPING EXP	0020106001
312AG01	312010	00797548	B.F.G.-PORTION OF INDUCED DRAF	0020106001
312AG01	312010	00797549	B.F.G.-ADDED COST TO EQUIP BOI	0020106001
312AG01	312010	00797550	B.F.G.-PORTION OF BLAST FURNAC	0020106001
312AG01	312010	00797551	B.F.G.-UNIT 1 PPG. FROM GAS MA	0020106001
312AG01	312010	00797552	B.F.G.-UNIT 1 PURGING SYSTEM	0020106001
312AG01	312010	00797553	B.F.G.-UNIT 1 INSTRUMENTATION	0020106001
312AI	312010	00797586	BLR FD PMP FOUNDATIONS	0020106001
312AK	312010	00796911	ECONOMIZER FLOW METER	0020106001
312AK	312010	00796976	MISC CTRL EQUIP, 10 STRAIGHTEN	0020106001
312AK	312010	00796977	MISC CTRL EQUIP, 2 MULTIPOINT G	0020106001
312AK	312010	00796978	MISC CTRL EQUIP, 22 HIGH & LOW	0020106001
312AK	312010	00796979	MISC CTRL EQUIP, 3 MULTIPLE PR	0020106001

Profile ID	Category	Asset ID	Description	Location
312AK	312010	00796980	MISC CTRL EQUIP, 1 AIR RECIVER	0020106001
312AK	312010	00796981	MISC CTRL EQUIP, 17 PRESSURE G	0020106001
312AK	312010	00796982	MISC CTRL EQUIP, 1 L&N RCRDR 1	0020106001
312AK	312010	00796983	MISC CTRL EQUIP, COMB. CONTROL	0020106001
312AK	312010	00796984	MISC CTRL EQUIP, MISC. SWITCHE	0020106001
312AL01	312010	00797612	233 FT. 21 IN. O.D. 3.76" WALL	0020106001
312AL01	312010	00797613	REHT PIPE 211'8", 24" OD, HOT	0020106001
312AL01	312010	00797614	REHT PIPE 99'7", 20" OD, HOT	0020106001
312AL01	312010	00797615	REHT PIPE 84'5", 20" OD, COLD	0020106001
312AL01	312010	00797616	REHT PIPE 2 WYE FITTINGS, COLD	0020106001
312AL01	312010	00797617	65 FT. 17.5" O.D. 3.15" WALL C	0020106001
312AL01	312010	00797618	32 FT. 17.5" O.D. 3.13" WALL C	0020106001
312AL01	312010	00797619	1 FITTING, WYE	0020106001
312AL01	312010	00797620	14 VALVES UNDER 4"	0020106001
312AL01	312010	00797621	REHT PIPE 679', 24" O.D., COLD	0020106001
312AL02	312010	00797640	109 FT OF 14" D. PIPE	0020106001
312AL02	312010	00797641	292 FT OF 10" D. PIPE	0020106001
312AL02	312010	00797642	167 FT OF 6" D. PIPE	0020106001
312AL02	312010	00797643	4 VALVES, 14" WEDGE GATE	0020106001
312AL02	312010	00797644	1 VALVES, 14" MOTOR OPERATED,	0020106001
312AL02	312010	00797645	2 VALVES, 10" WEDGE GATE	0020106001
312AL02	312010	00797647	3 VALVES, 10" ANGLE CHECK	0020106001
312AL02	312010	00797648	3 VALVES, 10" WEDGE GATE	0020106001
312AL03	312010	00797664	62 FEET OF 16" DIAMETER PIPE	0020106001
312AL03	312010	00797665	175 FEET OF 14" DIAMETER PIPE	0020106001
312AL03	312010	00797666	198 FEET OF 14" DIAMETER PIPE	0020106001
312AL03	312010	00797667	1595 FEET OF 12" DIAMETER PIPE	0020106001
312AL03	312010	00797668	240 FEET OF 10" DIAMETER PIPE	0020106001
312AL03	312010	00797669	285 FEET OF 8" DIAMETER PIPE	0020106001
312AL03	312010	00797670	578 FEET OF 6" DIAMETER PIPE	0020106001
312AL03	312010	00797671	3 VALVES, 16", 125# GATE	0020106001
312AL03	312010	00797672	3 VALVES, 14", 300# GATE	0020106001
312AL03	312010	00797673	1 VALVES, 14", 150#GATE	0020106001
312AL03	312010	00797674	12 VALVES, 12", 300# GATE	0020106001
312AL03	312010	00797675	14 VALVES, 12", 150# GATE	0020106001
312AL03	312010	00797676	2 VALVES, 12", 125# GATE	0020106001
312AL03	312010	00797677	3 VALVES, 10", 300# GATE	0020106001
312AL03	312010	00797678	11 VALVES, 10", 300# GATE	0020106001
312AL03	312010	00797679	9 VALVES, 10", 150# GATE	0020106001
312AL03	312010	00797680	5 VALVES, 10", 125# GATE	0020106001
312AL03	312010	00797681	1 VALVES, 10", 125# GLOBE	0020106001
312AL03	312010	00797682	1 VALVES, 8", 150# MTR OPERAT	0020106001
312AL03	312010	00797683	5 VALVES, 8", 150# GATE	0020106001
312AL03	312010	00797684	1 VALVES, 8", 150# CONTROL	0020106001
312AL03	312010	00797685	4 VALVES, 6", 300# CHECK	0020106001
312AL03	312010	00797686	88 VALVES, 6", 300# GATE	0020106001
312AL03	312010	00797687	1 VALVES, 6", 150# MTR OPERAT	0020106001
312AL03	312010	00797688	5 VALVES, 6", 150# GATE	0020106001
312AL03	312010	00797689	3 VALVES, 6", 150# CONTROL	0020106001
312AL03	312010	00797690	8 LEVEL CONTROL 1(2)S	0020106001
312AL03	312010	00797691	1 STRAINERS, 12", 2730 GPM TWI	0020106001
312AL03	312010	00797692	3 STRAINERS, 10", 1925 GPM"Y"	0020106001
312AL03	312010	00797693	1 STRAINERS, 4", 250 GPM TWIN	0020106001
312AL04	312010	00797292	1 VALVE 6", SHUT OFF	0020106001
312AL04	312010	00797766	182 FEET OF 10" DIAMETER BLEED	0020106001
312AL04	312010	00797767	49 FEET OF 8" DIAMETER BLEEDE	0020106001
312AL04	312010	00797768	17 FEET OF 20" DIAMETER BLEEDE	0020106001
312AL04	312010	00797769	139 FEET OF 18" DIAMETER BLEED	0020106001
312AL04	312010	00797770	111 FEET OF 16" DIAMETER BLEED	0020106001
312AL04	312010	00797771	421 FEET OF 14" DIAMETER BLEED	0020106001
312AL04	312010	00797772	180 FEET OF 12" DIAMETER BLEED	0020106001

Profile ID	Category	Asset ID	Description	Location
312AL04	312010	00797773	165 FEET OF 10" DIAMETER BLEED	0020106001
312AL04	312010	00797774	225 FEET OF 8" DIAMETER BLEED	0020106001
312AL04	312010	00797775	529 FEET OF 6" DIAMETER BLEED	0020106001
312AL04	312010	00797776	1 VALVE, 20", 125# BALANCED CH	0020106001
312AL04	312010	00797777	1 VALVE, 18", 125# GATE	0020106001
312AL04	312010	00797778	1 VALVE, 16", 150# GATE	0020106001
312AL04	312010	00797779	1 VALVE, 16", 150# BALANCED CH	0020106001
312AL04	312010	00797780	1 VALVE, 14", 150# BALANCED CH	0020106001
312AL04	312010	00797781	1 VALVE, 14", 150# GATE	0020106001
312AL04	312010	00797782	1 VALVE, 12", 150# BALANCED CH	0020106001
312AL04	312010	00797783	1 VALVE, 12", 150# GATE	0020106001
312AL04	312010	00797784	1 VALVE, 12", 125# GATE	0020106001
312AL04	312010	00797785	1 VALVE, 10", 300# BALANCED CH	0020106001
312AL04	312010	00797786	1 VALVE, 10", 150# MOTOR OPERA	0020106001
312AL04	312010	00797787	1 VALVE, 10", 150# GATE	0020106001
312AL04	312010	00797788	1 VALVE, 10", 150# BALANCED CH	0020106001
312AL04	312010	00797789	15VALVES, 10", 125# GATE	0020106001
312AL04	312010	00797790	3 VALVES 8 600# CHECK	0020106001
312AL04	312010	00797791	1 VALVE 8 600# GATE	0020106001
312AL04	312010	00797792	2 VALVES 8 300# BALANCED CH	0020106001
312AL04	312010	00797793	2 VALVES 8 300# GATE	0020106001
312AL04	312010	00797794	4 VALVES 8 150# GATE	0020106001
312AL04	312010	00797795	1 VALVE 8 150# BALANCED CH	0020106001
312AL04	312010	00797796	1 VALVE 8 125# GATE	0020106001
312AL04	312010	00797797	2 VALVES 8 600# GLOBE	0020106001
312AL04	312010	00797798	3 VALVES 6 150# SWING CHECK	0020106001
312AL04	312010	00797799	2 VALVES 6 150# GLOBE	0020106001
312AL04	312010	00797800	6 VALVES 6 150# GATE	0020106001
312AL04	312010	00797801	2 DESUPERHEATING STATIONS	0020106001
312AL05	312010	00797287	PIPE FROM DESUPERHEATER TO HTR	0020106001
312AL05	312010	00797802	16 FEET OF 20" DIAMETER PIPE	0020106001
312AL05	312010	00797803	4 FEET OF 18" DIAMETER PIPE	0020106001
312AL05	312010	00797804	21 FEET OF 16" DIAMETER PIPE	0020106001
312AL05	312010	00797805	15 FEET OF 14" DIAMETER PIPE	0020106001
312AL05	312010	00797806	183 FEET OF 12" DIAMETER PIPE	0020106001
312AL05	312010	00797807	488 FEET OF 10" DIAMETER PIPE	0020106001
312AL05	312010	00797808	914 FEET OF 8" DIAMETER PIPE	0020106001
312AL05	312010	00797810	579 FEET OF 6 INCH DIAMETER PI	0020106001
312AL05	312010	00797811	5 VALVES, 8", 600# GATE	0020106001
312AL05	312010	00797812	3 VALVES, 8" 125# GATE	0020106001
312AL05	312010	00797813	2 VALVES, 6", 125# GATE	0020106001
312AL05	312010	00797814	1 VALVE 2.5", 2050# ELECTRIC R	0020106001
312AL06	312010	00797256	SEALING DURING BLOWDOWN - PIPE	0020106001
312AL06	312010	00797839	9 FEET OF 24" DIAMETER PIPE	0020106001
312AL06	312010	00797840	11 FEET OF 10" DIAMETER PIPE	0020106001
312AL06	312010	00797841	11200 FT. OF PIPE 5.5" OR SMAL	0020106001
312AL06	312010	00797842	81 VALVES 4" DIAMETER OR SMALL	0020106001
312AL08	312010	00797909	3119 FT ARMORTUBING (4-12 TUBE	0020106001
312AL08	312010	00797910	52,366 FT. COPPER TUBING - 1/4	0020106001
312AL08	312010	00797911	9,216 FT. OF PIPE UNDER 1.5"	0020106001
312AL08	312010	00798014	INTRUMENT VALVES UNDER 2", 962	0020106001
312AL15	312010	00797955	223' OF 6" DIAM. PIPE	0020106001
312AL15	312010	00797956	210' OF 4" AND UNDER PIPE	0020106001
312AL15	312010	00797957	360' OF FLEXIABLE BRONZE TUBIN	0020106001
312AL15	312010	00797958	1 VALVE, 8" 125# DIAPHRAM CON	0020106001
312AL15	312010	00797959	4 VALVES, 6", 125# MULTIPOINT	0020106001
312AL15	312010	00797960	75 VALVES, 2" AND UNDER	0020106001
314AB	314010	00798207	STRUCTURAL STEEL - TRANS. FROM	0020106001
314AB	314010	00798276	TURBO-GEN #1 WITH EXCITER	0020106001
314AB	314010	00798277	FOUNDATION, TURBO-GEN #1	0020106001
314AC02	314010	00798284	COND #1 SERIAL NO. 14102	0020106001

Profile ID	Category	Asset ID	Description	Location
314AC02	314010	00798285	19,850 COND. TUBES, .75" O.D.,	0020106001
314AC02	314010	00798286	3 CONDENSER PMPS, BY-JCKSN, #2	0020106001
314AC02	314010	00798287	3 MTRS FOR COND PMPS, AL-CH, 1	0020106001
314AC02	314010	00798288	COND. DISCHARGE STL PIPE 47"X6	0020106001
314AC02	314010	00798289	2 BUTTERFLY VALVES, 60" WITH M	0020106001
314AC06	314010	00798315	PUMP #1 SOUTH, # 58804 WITH 50	0020106001
314AC06	314010	00798316	PUMP #1 NORTH, # 58803 WITH 50	0020106001
314AD04	314010	00798230	RMT CTRL SYST TO REGULATE HYDR	0020106001
314AD04	314010	00798246	AUTOMATE HYD TEMP CTRL, 3 CONT	0020106001
314AD04	314010	00798247	AUTOMATE HYD TEMP CTRL, 4 TEMP	0020106001
314AD04	314010	00798248	AUTOMATE HYD TEMP CTRL, 4 PNEU	0020106001
314AD04	314010	00798249	AUTOMATE HYD TEMP CTRL, PIPING	0020106001
314AE	314010	00798199	STRAINER,OIL SIZE 4" #200A	0020106001
314AE03	314010	00798206	1 PUMP, BY-JACKSON, PURIFICATI	0020106001
314AF	314010	00798201	1COUNTER, INDUSTRIAL ELECTRONI	0020106001
314AF	314010	00798241	STEAM STEAL LEAK MEASURING DEV	0020106001
314AF	314010	00798245	4 PYROMETRIC CONTROLLERS, WEST	0020106001
314AF01	314010	00798211	TURBOGENERATOR PANEL, MISC. EQ	0020106001
314AF01	314010	00798262	OPERATING PANEL, 2 HAGAN RECOR	0020106001
314AF01	314010	00798263	OPERATING PANEL, 1 L&N MONITOR	0020106001
314AF01	314010	00798264	SECONDARY OPR PANEL, 1 L&N TEM	0020106001
314AF01	314010	00798265	SECONDARY OPR PANEL, 2 L&N 20	0020106001
314AF01	314010	00798266	SECONDARY OPR PANEL, 1 L&N 20	0020106001
314AF01	314010	00798267	SECONDARY OPR PANEL, 2 L&N TEM	0020106001
314AF01	314010	00798268	SECONDARY OPR PANEL, MISC. EQU	0020106001
314AF01	314010	00798269	TURBOGENERATOR PANEL, 979E, 85	0020106001
314AG	314010	00798251	INTERNAL BY-PASS VALVE IN MAIN	0020106001
315A0050	315010	00798358	PROTECTIVE COVER OVER AUX EQUI	0020106001
315A0050	315010	00798363	3 PHASE BUS 578' FRM GEN TERM.	0020106001
315A011	315010	00798366	EXCITER SWITCHGEAR, 2ND FLR OF	0020106001
315A011	315010	00798367	EXCITER SWITCHGEAR, 2ND FLR OF	0020106001
315A028	315010	00798373	6 SINGLE PHASE 23KV, FUSED, W/	0020106001
315A029	315010	00798397	METAL CLAD SWITCHGEAR, E. BUS	0020106001
315A029	315010	00798398	METAL CLAD SWITCHGEAR, W. BUS	0020106001
315A029	315010	00798399	METALCLAD SWITCHGEAR, E AUX. B	0020106001
315A029	315010	00798400	METALCLAD SWITCHGEAR, W AUX. B	0020106001
315A033	315010	00798376	TRANS., 50KVA, 1 PHASE, NEUT.	0020106001
315A033	315010	00798431	NO. 6530945, 10 MVA, MTG #1 AU	0020106001
315A033	315010	00798432	NO. 6530946, 10 MVA, MTG #1 AU	0020106001
U1assetsrev3				

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of The)
Detroit Edison Company for certain)
determinations pursuant to Sections 32(c))
and (d) of the Public Utility Holding)
Company Act of 1935 and for accounting)
approval for the transfer of certain assets)
_____)

Case No: U-12266

AFFIDAVIT OF DAVID B. HARWOOD

STATE OF MICHIGAN)
) SS.
COUNTY OF WAYNE)

DAVID B. HARWOOD, being duly sworn, deposes and says:

1. I am the Director, Power Generation for The Detroit Edison Company.
2. As Director, I am responsible for the economic evaluation of power generation assets.
3. I have read The Detroit Edison Company's Application in the captioned case and believe that the transfer price for the Rouge 1 power plant from The Detroit Edison Company is fair and reasonable for the reasons that:
 - a. There is little market value for a forty three-year-old asset that has not operated since 1980. I know of no transfer of a comparable unit.

b. The current condition of the plant and the significant capital investment required to return it to active service supports the transfer price.

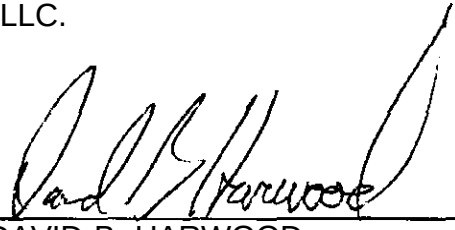
c. Current environmental permit limitations restrict plant operations to approximately 2150 hours of full-load operation per year. This detracts from the market value of the plant.

d. The fact that Unit 1 is physically connected to, and shares facilities with Units 2 and 3 detracts from the market value of the plant.

e. A transfer price of 2 times book represents a **greater-than-**average transfer price for operating fossil plants. In fact, transfers of operating units have recently been approved by several State regulatory commissions at net book value.

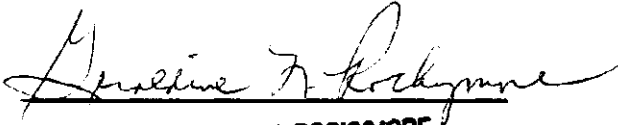
4. Therefore, for the reasons set forth above I **believe** that a value of 2 times net book value is a reasonable and fair price to transfer Rouge 1 from Detroit Edison to DTE River Rouge No. 1 LLC.

Further, Affiant sayeth not.


DAVID B. HARWOOD

Dated: December 28, 1999

Subscribed and sworn to before me
this, & day of December, 1999


GERALDINE N. ROCKYMORE
Notary Public, Oakland County, MI, *Acting in Wayne*
My Comm. Exp. Dec. 23, 2002

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of The)
Detroit Edison Company for certain)
determinations pursuant to Sections 32(c))
and (d) of the Public Utility Holding)
Company Act of 1935 and for accounting)
approval for the transfer of certain assets)
_____)

Case No: U-12266

AFFIDAVIT OF JOSEPH E. FENNELL, JR.

STATE OF MICHIGAN)
) SS.
COUNTY OF WAYNE)

JOSEPH E. FENNELL, JR, being duly sworn, deposes and says:

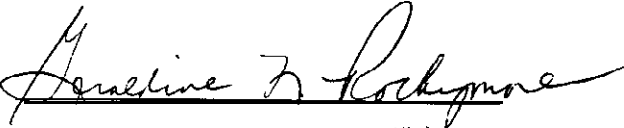
1. I am the Director, Asset Management Financial Control for The Detroit Edison Company.
2. As Director, Asset Management Financial Control, I am responsible for the development and administration of fixed asset accounting policies and the administration of the property tax function for The Detroit Edison Company.
3. I have read The Detroit Edison Company's Application in the captioned case, and based upon that information, believe that the accounting requested therein to be an accurate accounting of the Company's books and records, and in accordance with Generally Accepted Accounting Principles, in particular, the application of the Statement of Financial Accounting Standards Board No. 71, "Accounting for the Effects of Certain types of Regulation"; and the Uniform System of Accounts of the Michigan Public Service Commission.

Further, **Affiant** sayeth not.


JOSEPH E. FENNELL, JR.

Dated: December& 1999

Subscribed and sworn to before me
this 28th day of December, 1999



Notary Public for Michigan
Notary Public, Oakland County, MI,
My Commission Expires Dec. 23, 2002

acting in Wayne