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MPSC Authorizes Detroit Edison to Increase Securitization and Tax Surcharges

February 8, 2010

The Michigan Public Service Commission (MPSC) today authorized The Detroit Edison Company to increase its bond principal and interest securitization surcharge from 4.73 mills per kilowatt-hour (kWh) to 4.93 mills per kWh and to increase its tax surcharge from 1.94 mills per kWh to 2.08 mills per kWh. The increases are effective from March 1 through Feb. 28, 2011.

The average residential electric customer will see an increase of 17 cents on their monthly bill as a result.

The MPSC notes that the increase in the proposed securitization bond and tax surcharges is due to lower than expected megawatt-hour sales during the prior period and a decrease in the forecasted megawatt-hour sales for the upcoming period.

The utility's request is part of the periodic true-ups required by MPSC's Nov. 2, 2000 order that authorized Detroit Edison to securitize up to $1.8 billion of regulatory assets and other qualified costs.

The MPSC in today's order noted that the proposed adjustments are routine, mathematically accurate and comply with the approved methodology.

The MPSC is an agency within the Department of Energy, Labor & Economic Growth.

Case No. U-12478