DTE Electric Company
One Energy Plaza, 688 WCB,
Detroit, MI 48226-1279

DTE Energy

Bruce R. Maters
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313-235-7481

December 10, 2014

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Highway
Lansing, Michigan 48917

Re: In the matter of the application of The Detroit Edison Company for a financing order approving the securitization of certain regulatory assets and other qualified costs
Case No. U-12478

Dear Ms. Kunkle:

Attached for electronic filing in the above-captioned matter is DTE Electric Company's Request for Adjustment of Securitization Bond Surcharges and Proof of Service.

Very truly yours,

Bruce R. Maters

Digitally signed by Bruce R. Maters
DN: cn=Bruce R. Maters, o=DTE Energy, ou=General Counsel Organization, email=matersb@dteenergy.com, c=US
Date: 2014.12.10 13:37:28 -05'00'

Bruce R. Maters

BRM/kbk
Attachments
cc: Service list

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of The Detroit Edison Company for a financing order approving the securitization of certain regulatory assets and other qualified costs.	)))))	Case No. U-12478

REQUEST FOR ADJUSTMENT OF SECURITIZATION BOND SURCHARGES

DTE Electric Company ("DTE Electric" or "Company") f/k/a The Detroit Edison Company, files this request for the Commission to issue an order setting both the Securitization Bond Surcharge and Securitization Bond Tax Surcharge to 0.000¢/kWh on a bills rendered basis effective with the January 2015 billing cycles, and in support, says that:

1. DTE Electric is a corporation duly organized and existing under the laws of the State of Michigan, with its principal office at One Energy Plaza, Detroit, Michigan 48226.

2. DTE Electric is the owner and operator of extensive plant and equipment located in the State of Michigan, used principally in the business of producing and distributing electric service to over 2 million customers located within its service area in southeastern Michigan. DTE Electric serves its customers under tariffs and contracts approved by the Michigan Public Service Commission ("Commission").

3. On November 2, 2000, the Commission issued a Financing Order in this docket authorizing the Company to securitize up to $1.774 billion of qualified costs related to the Fermi 2 power plant. Among other things, the Commission ordered that:

- The Company proceed with securitization for up to $1.774 billion of its regulatory assets (net of certain regulatory liabilities) and other qualified costs related primarily to the Company's Fermi 2 Power Plant.

- The Company create one or more special purpose entities to which it may transfer securitized property. In turn, each special purpose entity is authorized to issue securitization bonds in the manner specified in the Financing Order.
- The Company enter into a servicing agreement with each special purpose entity that it creates and to perform the servicing duties contemplated by the Financing Order.
- The Company, or any successor servicer, impose and collect from customers, in the manner provided by the Financing Order: 1) securitization charges and tax charges in amounts sufficient to provide for the full and timely recovery of the amount securitized, 2) the ongoing other qualified costs of the special purpose entity, and 3) federal, state, and local taxes related to the securitization charge.
- Following the determination of the initial securitization charge and the initial tax charge, these charges be subject to subsequent annual true-ups in the manner directed in the Financing Order.
- The Company periodically conduct routine true-ups of the securitization charges and the tax charges in accordance with the 45-day schedule and the methodology approved in the Finance Order.

4. On March 9, 2001, $1.75 billion of Securitization Bonds were issued with a Final Maturity Date of March 1, 2016 and the Expected Final Payment Date of March 1, 2015.

5. The initial Securitization Bond Surcharge and Securitization Bond Tax Surcharge (Securitization Surcharges) were effective for bills rendered on and after March 26, 2001.

6. The Company has made an annual routine true-up filing every January (2002 through 2014) since the issuance of the Securitization Bonds in 2001 as permitted by the

November 2, 2000 Order in Case No. U-12478, page 37.

7. The Commission has approved the Company's annual routine true-up requests of the Securitization Surcharges.

8. The provisions of the November 2, 2000 Order allow quarterly routine true-up requests, if necessary, in the last year of the Securitization Bonds (November 2, 2000 Order in Case No. U-12478, page 37).

9. All Bond Classes A-1 through A-5 of the Series 2001-1 Securitization Bonds have been paid in full and retired. As of July 31, 2014, only $105,264,463 of Bond Class A-6 remains outstanding. On March 1, 2015, the remaining Bond Class A-6 principal balance of $105,264,463 is anticipated to be paid and retired.

10. The Company has continued to closely monitor the projected balances for both the Securitization Bond Surcharge and Securitization Bond Tax Surcharge as of February 28, 2015 for the Expected Final Payment Date of March 1, 2015.

11. As of the date of this Application, the Company believes the Securitization Bond Surcharge (0.456¢/kWh) and Securitization Bond Tax Surcharge (0.302¢/kWh) as approved by the Commission on February 20, 2014 were properly set to ensure the appropriate projected balances for both the Securitization Bond Surcharge and Securitization Bond Tax Surcharge as of February 28, 2015 for the Expected Final Payment Date of March 1, 2015.

12. The Company is projecting sufficient projected balances for both the Securitization Bond Surcharge and Securitization Bond Tax Surcharge as of February 28, 2015 for the Expected Final Payment Date of March 1, 2015.

13. At this time the Company is requesting that the Commission issue an order setting both the Securitization Bond Surcharge and Securitization Bond Tax Surcharge to

0.000¢/kWh on a bills rendered basis effective with the January 2015 billing cycles. The Company is requesting the Commission to approve setting the Securitization Surcharges to 0.000¢/kWh rather than terminating the Securitization Surcharges until after the final reconciliation has been conducted by the Commission. The Company will use the Securitization Bond Surcharge and Securitization Bond Tax Surcharge to refund any over-collection or surcharge any under-collection.

14. No later than three months from the Expected Final Payment Date of March 1, 2015, the Company will file in this docket a final routine true-up of the residual balances of the Securitization Bond Surcharge and Securitization Bond Tax Surcharge. The final routine true-up of the Securitization Bond Surcharge will reconcile the revenue from the forecasted sales versus the actual sales and the forecasted versus actual investment income earned for the last bond year; reconcile forecasted versus actual expenses including bond principal and interest, servicing fees, administrative fees and professional expenses; and the disposition of the capital and overcollateralization subaccounts. The residual balance of the Securitization Bond Tax Surcharge will reconcile the revenue from the forecasted sales versus the actual sales for the last bond year.

15. The authority requested in this Application *"will not result in an increase in the cost of service to customers"* and therefore *"may be authorized and approved without notice or hearing."* MCL 460.6a(1). Thus, approval of this Request without notice or hearing is lawful and appropriate.

WHEREFORE, DTE Electric requests that this Commission:

a) Approve this Request setting both the Securitization Bond Surcharge and Securitization Bond Tax Surcharge to 0.000¢/kWh on a bills rendered basis effective with the January 2015 billing cycles in support; and

b) Grant DTE Electric such further additional relief as the Commission may deem appropriate.

Respectfully Submitted,

DTE ELECTRIC COMPANY

Bruce R. Maters

Digitally signed by Bruce R. Maters
DN: cn=Bruce R. Maters, o=DTE Energy, ou=General Counsel Organization, email=matersb@dteenergy.com, c=US
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Bruce R. Maters (P28080)
Attorney for DTE Electric Company
One Energy Plaza, 688 WCB
Detroit, MI 48226
(313) 235-7481

Dated: December 10, 2014

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of The Detroit Edison Company for a financing order approving the securitization of certain regulatory assets and other qualified costs.	)))))	Case No. U-12478

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

Estella R. Branson, being duly sworn, deposes and says that on the 10th day of December, 2014, she served a copy of DTE Electric Company's Request for Adjustment of Securitization Bond Surcharges and Proof of Service thereof in the above captioned matter on the persons listed on the attached service list via e-mail.

Estella R. Branson

Digitally signed by Estella R. Branson
DN: cn=Estella R. Branson, o=Regulatory Affairs, ou=DTE Energy - Regulatory Affairs, email=bransone@dteenergy.com, c=US
Date: 2014.12.10 12:23:17 -05'00'

Estella R. Branson

Subscribed and sworn to before
me this 10th day of December, 2014.

Karyn B. Kazyaka

Digitally signed by Karyn B. Kazyaka
DN: cn=Karyn B. Kazyaka, o=DTE Energy, ou=Legal - Regulatory Affairs, email=kazyakak@dteenergy.com, c=US
Date: 2014.12.10 13:38:08 -05'00'

Karyn B. Kazyaka, Notary Public
Macomb County, Michigan
My Commission Expires: 7-21-2017
Acting in Wayne County

MPSC Case No: U-12478

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