

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
THE DETROIT EDISON COMPANY	)	Case No. U-12478
for a financing order.	)	
_____	)	

At the December 18, 2014 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Greg R. White, Commissioner
Hon. Sally A. Talberg, Commissioner

ORDER

In the November 2, 2000 order in this docket (November 2000 order), the Commission authorized DTE Electric Company f/k/a The Detroit Edison Company (DTE Electric) to securitize up to \$1.774 billion of regulatory assets and other qualified costs. Among other issues addressed by the order, the Commission concluded that there must be periodic true-ups of the securitization bond and tax charges to ensure that the amounts collected are sufficient to service the securitization bonds and to recover the associated tax liability.

On March 9, 2001, \$1.75 billion of securitization bonds were issued with a final maturity date of March 1, 2016, and an expected final payment date of March 1, 2015. DTE Electric has made an annual routine true-up filing every January since the issuance of the securitization bonds and the Commission has approved the company's annual true-up requests of the securitization

surcharges. In addition, the provisions of the November 2000 order allow quarterly routine true-up requests, if necessary, in the last year of the securitization bonds.

On December 10, 2014, DTE Electric filed an application requesting that the Commission issue an order setting both the securitization bond surcharge and securitization bond tax surcharge to 0.000¢ per kilowatt-hour (kWh) on a bills rendered basis effective with the January 2015 billing cycle. The company stated that 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 remained outstanding. On March 1, 2015, the remaining bond class A-6 principal balance of \$105,264,463 is anticipated to be paid and retired. On December 11, 2014, the Association of Businesses Advocating Tariff Equity filed a letter supporting DTE Electric's plan to reduce the securitization surcharge to \$0.00.

DTE Electric stated that it will continue to closely monitor the projected balances for both the securitization bond surcharge and securitization bond tax surcharge through February 28, 2015, for the expected final payment date of March 1, 2015. As of the date of DTE Electric's application, the company believed the securitization bond surcharge (0.456¢ per kWh) and securitization bond tax surcharge (0.302¢ per kWh) as approved by the Commission in the February 20, 2014 order in this case, 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.

DTE Electric requested that the Commission approve setting the securitization surcharges to 0.000¢ per kWh, rather than continuing the securitization surcharges through February 28, 2015, and then terminating them after the final reconciliation has been conducted by the Commission Staff. The company will use the securitization bond surcharge and securitization bond tax

surcharge to refund any overrecovery or surcharge any underrecovery. Within three months of the expected final payment date of March 1, 2015, DTE Electric stated that it will file a final routine true-up of the residual balances of the securitization bond surcharge and securitization bond tax surcharge.

DTE Electric asserted that the authority requested in its 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” pursuant to MCL 460.6a(1).

After considering DTE Electric’s filing, the Commission agrees with the proposed adjustments. DTE Electric should therefore be authorized to implement the adjustments for the January 2015 billing cycle. The Commission finds that approving the company’s application will not result in an increase in the cost of service to customers and the adjustments may be authorized and approved without notice or hearing pursuant to MCL 460.6a(1).

THEREFORE, IT IS ORDERED that:

A. Effective for the January 2015 billing cycle, DTE Electric Company is authorized to set the securitization bond surcharge and the securitization bond tax surcharge to 0.000¢ per kilowatt-hour on a bills rendered basis.

B. Within three months of the expected final payment date of March 1, 2015, DTE Electric Company shall file a final routine true-up of the residual balances of the securitization bond surcharge and securitization bond tax surcharge.

C. Within 30 days, DTE Electric Company shall file with the Commission tariff sheets essentially the same as those attached to this order as Exhibit A.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

John D. Quackenbush, Chairman

Greg R. White, Commissioner

Sally A. Talberg, Commissioner

By its action of December 18, 2014.

Mary Jo Kunkle, Executive Secretary

M.P.S.C. No. 1 - Electric
DTE Electric Company
(Expiration of SBC and SBTC)

Sixteenth Revised Sheet No. C-70.00
Cancels Fifteenth Revised Sheet No. C-70.00

(Continued from Sheet No. C-69.00)

C9 SURCHARGES AND CREDITS APPLICABLE TO DELIVERY SERVICE: (Contd.)

C9.8 Summary of Surcharges and Credits: Summary of surcharges and credits, pursuant to sub-rules C9.1, C9.2, C9.3, C9.4, C9.5, C9.6 and C9.7 of this rule. Cents per kilowatthour or percent of base bill, unless otherwise noted.

	<u>NDS</u> ¢/kWh	<u>SBC</u> ¢/kWh	<u>SBTC</u> ¢/kWh	<u>EOS(2)</u> ¢/kWh	<u>U-16472</u> <u>RRA (5)</u> ¢/kWh	<u>Total Delivery</u> <u>Surcharges</u> ¢/kWh	<u>VHWF (3)</u> \$/Customer	<u>LIEAF Factor</u> \$/Billing Meter
Residential								
D1 Residential	0.0778	-----	-----	0.2733	0.3208¢	0.6719¢	(\$1.59)	\$0.97
D1.1 Int. Space Conditioning	0.0778	-----	-----	0.2733	0.3546¢	0.7057¢	N/A	N/A
D1.2 Time-of-Day	0.0778	-----	-----	0.2733	0.3881¢	0.7392¢	(\$1.59)	\$0.97
D1.3 Senior Citizen	0.0778	-----	-----	0.2733	0.2245¢	0.5756¢	(\$1.59)	\$0.97
D1.4 Time-of-Day	0.0778	-----	-----	0.2733	0.3309¢	0.6820¢	(\$1.59)	\$0.97
D1.5 Supp. Space Heating	0.0778	-----	-----	0.2733	0.3410¢	0.6921¢	N/A	N/A
D1.7 Time-of-Day	0.0778	-----	-----	0.2733	0.1749¢	0.5260¢	N/A	N/A
D1.8 Dynamic Peak Pricing	0.0778	-----	-----	0.2733	0.3208¢	0.6719¢	(\$1.59)	\$0.97
D1.9 Electric Vehicle	0.0778	-----	-----	0.2733	0.3208¢	0.6719¢	N/A	N/A
D2 Space Heating	0.0778	-----	-----	0.2733	0.3575¢	0.7086¢	(\$1.33)	\$0.97
D5 Wtr Htg	0.0778	-----	-----	0.2733	0.2595¢	0.6106¢	N/A	N/A
D9 Outdoor Lighting	0.215%	-----	-----	1.1%	0.74%		N/A	N/A
Commercial								
D1.1 Int. Space Conditioning	0.0778	-----	-----	See C9.6	(0.2699¢)		N/A	\$0.97
D1.7 Space Conditioning	0.0778	-----	-----	See C9.6	(0.1946¢)		N/A	\$0.97
D1.8 Dynamic Peak Pricing	0.0778	-----	-----	See C9.6	(0.4018¢)		(\$1.35)	\$0.97
D3 General Service	0.0778	-----	-----	See C9.6	(0.4018¢)		(\$1.35)	\$0.97
D3.1 Unmetered	0.551%	-----	-----	0.9%	-3.54%		(0.3%)	N/A
D3.2 Educ. Inst.	0.0778	-----	-----	See C9.6	0.0000¢		(\$2.64)	\$0.97
D3.3 Interruptible	0.0778	-----	-----	See C9.6	(0.2839¢)		N/A	\$0.97
D4 Large General Service	0.0778	-----	-----	See C9.6	(0.4884¢)		(\$1.26)	\$0.97
D5 Wtr Htg	0.0778	-----	-----	See C9.6	(0.2502¢)		N/A	\$0.97
D9 Outdoor Lighting	0.215%	-----	-----	0.9%	0.72%		N/A	\$0.97
R3 Standby Secondary	0.0778	-----	-----	See C9.6	(0.4157¢)		N/A	\$0.97
R7 Greenhouse Lighting	0.0778	-----	-----	See C9.6	(0.2123¢)		N/A	\$0.97
R8 Space Conditioning	0.0778	-----	-----	See C9.6	(0.3518¢)		N/A	\$0.97
Industrial								
D6 Primary Supply	0.0778	-----	-----	See C9.6	(0.3064¢)		(\$1.30)	\$0.97
D6.1 Alternative Primary	0.0778	-----	-----	See C9.6	(0.2061¢)		(\$1.30)	\$0.97
D6.2 Educ. Inst.	0.0778	-----	-----	See C9.6	0.0000¢		(\$2.22)	\$0.97
D7 Transitional Primary	0.0778	-----	-----	See C9.6	0.1352¢		(\$1.33)	\$0.97
D8 Interruptible Primary	0.0778	-----	-----	See C9.6	(0.2261¢)		(\$1.34)	\$0.97
D10 Schools	0.0778	-----	-----	See C9.6	(0.5021¢)		(\$1.30)	\$0.97
R1.1 Metal Melting	0.0778	-----	-----	See C9.6	(0.3064¢)		(\$0.15)	\$0.97
R1.2 Electric Process Heating	0.0778	-----	-----	See C9.6	(0.4991¢)		(\$0.15)	\$0.97
R3 Standby Primary	0.0778	-----	-----	See C9.6	(0.4157¢)		N/A	\$0.97
R10 Interruptible Supply	0.0778	-----	-----	See C9.6	0.8635¢		(\$1.22)	\$0.97

(Continued on Sheet No. C-71.00)

Issued _____, 2015
D. M. Stanczak
Vice President
Regulatory Affairs
Detroit, Michigan

Effective for bills rendered on
and after _____, 2015

Issued under authority of the
Michigan Public Service Commission
dated _____, 2015 in Case No. U-12478

(Continued from Sheet No. C-70.00)

C9 SURCHARGES AND CREDITS APPLICABLE TO DELIVERY SERVICE: (Contd.)

C9.8 Summary of Surcharges and Credits (Contd.):

	<u>NDS</u> ¢/kWh	<u>SBC</u> ¢/kWh	<u>SBTC</u> ¢/kWh	<u>EOS(2)</u> ¢/kWh	<u>U-16472</u> <u>RRA (5)</u> ¢/kWh	<u>VHWF (3)</u> \$/Customer	<u>LIEAF Factor</u> \$/Billing Meter
Governmental							
E1 Streetlighting	0.172%	-----	-----	0.9%	0.72%	N/A	N/A
E1.1 Energy	0.0778	-----	-----	See C9.6	(0.2335)	(\$1.35)	\$0.97
E2 Traffic Lights	0.928%	-----	-----	0.9%	0.72%	(0.1%)	N/A
Electric Choice							
EC2 Secondary	0.0778	-----	-----	See C9.6	See Note (6)	See Note 4	\$0.97
EC2 Primary	0.0778	-----	-----	See C9.6	See Note (6)	See Note 4	\$0.97
EC2 Residential	0.0778	-----	-----	0.2733	See Note (6)	See Note 4	\$0.97

Notes: (1) The SBC and SBTC are included in this tariff's base rates and will be separately accounted for by DTE Electric for remittance to the Detroit Edison Securitization Funding L.L.C. (2) For EOS unmetered classes, % applies to base bill and NDS. (3) For VHWF unmetered classes, % applies to total base bill, NDS, EOS, REPS. (4) Credit issued to Electric choice customers is based on their service rate. (5) For U-16472 RRA unmetered classes, % applies to total bill before taxes excluding LIEAF Factor. (6) Applicable to residential choice service only.

(Continued on Sheet No. C-72.00)

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DTE Electric Company
(Expiration of SBC and SBTC)

Sixteenth Revised Sheet No. C-71.00
Cancels Fifteenth Revised Sheet No. C-71.00

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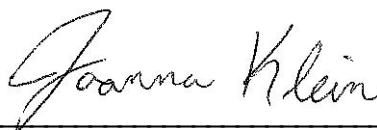
P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-12478

County of Ingham)

Joanna Klein being duly sworn, deposes and says that on December 18, 2014 A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

A handwritten signature in cursive script that reads "Joanna Klein". The signature is written in black ink and is positioned above a horizontal line.

Joanna Klein

Subscribed and sworn to before me
This 18th day of December 2014

Steven J. Cook
Notary Public, Ingham County, Michigan
As acting in Eaton County
My Commission Expires: April 30, 2018

Service List U-12478

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Service List U-12478

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