

DTE Electric Company
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July 20, 2023

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, Michigan 48909

Re: In the matter, on the Commission's own motion, regarding the regulatory filings, determinations, and/or approvals necessary for **DTE ELECTRIC COMPANY** to fully comply with the Code of Conduct, Mich Admin Code, R 460.10101 *et seq.*
MPSC Case No. U-20675 (Paperless e-file)

Dear Ms. Felice:

Attached for electronic filing in the above reference matter is DTE Electric Company's Value Added Program Filing: Business Charge Connect Program Notice and Program Description.

Very truly yours,

David S. Maquera

DSM/erb
Attachments

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission’s own motion,)
regarding the regulatory filings, determinations,)
and/or approvals necessary for **DTE ELECTRIC**)
COMPANY to fully comply with the Code of)
of Conduct, Mich Admin Code, R 460.10101 *et seq.*)
_____)

Case No. U-20675

DTE ELECTRIC COMPANY’S VALUE ADDED PROGRAM
FILING: Business Charge Connect Program
NOTICE AND PROGRAM DESCRIPTION

DTE Electric Company (“DTE Electric” or the “Company”) files this notice of intent to offer its Business Charge Connect Program, a value added program, pursuant to MCL 460.10ee and the Michigan Public Service Commission’s Order dated January 23, 2020 in Docket No. U-20675. A description of the program as required by MCL 460.10ee(6) is provided below.

The Business Charge Connect Program is being offered to provide business customers an Electric Vehicle (EV) charger installation service for their business sites. This will be a voluntary program where interested business customers may elect to utilize DTE to facilitate and complete the installation of customer-owned EV chargers of their choice. This program will include phases of the installation process including, but not limited to site planning, engineering and design, construction, electrical wiring, and grid integration. Customer payment for the installation will be offered as a one-time charge, paid in installments as projects progress, or financed as agreed upon by the Company and the Customer. The costs of each installation will vary depending on conditions of the site and the amount of work being performed. The Company reserves the right

to modify the program, pricing, and the terms and conditions as necessary. This program is being offered to help businesses in response to the growing demand for EV chargers.

The Company will not use the customer relationship management (CRM) system to generate customer mailing lists, nor will it use bill inserts to market the program. In general, the Company intends to market this program using a combination, including but not limited to the development of a website, brochures, and digital marketing. All marketing efforts will target customers through publicly available or paid data sources.

The revenues and costs of this program will not be included in DTE Electric's base rates and will follow measures to prevent cross-subsidization. The revenue will be recorded in revenues from nonutility operations account 417. Direct expenses associated with this program will be recorded using a program specific internal order number. The program will be located within DTE Electric Sales and Marketing department at DTE Energy's Corporate Headquarters in Detroit, Michigan. The program manager and support staff will allocate a portion of their time to manage the Business Charge Connect Program. Indirect costs or corporate overheads (such as legal, regulatory, corporate communications, supply chain burden, billing system, building, postage) associated with this program will be allocated using the Massachusetts formula.

Exhibit A

New Service Program Description: The Business Charge Connect Program is being offered to provide business customers an Electric Vehicle (EV) charger installation service for their business sites. This will be a voluntary program where interested business customers may elect to utilize DTE to facilitate and complete the installation of customer-owned EV chargers of their choice. This program will include phases of the installation process including, but not limited to site planning, engineering and design, construction, electrical wiring, and grid integration. Customer payment for the installation will be offered as a one-time charge, paid in installments as projects progress, or financed as agreed upon by the Company and the Customer. The Company reserves the right to modify the program, pricing, and the terms and conditions, as necessary.

Persons Responsible for Operations of the Program and their Location: The program will be located within DTE's Electric Sales and Marketing department at DTE's Corporate Headquarters in Detroit, Michigan. The Company's support staff will allocate a portion of their time to the program based on actual time spent on the program.

Customer Program Costs: Costs will vary for each project dependent on the conditions of the site. All services will have an agreed upon price and terms prior to work being initiated. The Company reserves the right to modify the program, pricing, and the terms and conditions, as necessary.

Market Research Findings: The Company is projecting a ~33% CAGR in Electric Vehicles over the next 5 years. Supporting infrastructure for businesses will be required to accommodate this growth across the DTE Electric territory.

Marketing Plans for Program: The Company will not use the customer relationship management (CRM) system to generate customer mailing lists, nor will it use bill inserts to market the program. In general, the Company intends to market this program using a combination, including but not

limited to the development of a website, brochures, and digital marketing. All marketing efforts will target customers through publicly available or paid data sources.

Customer Cancellation of Service Installation: Customers will have the ability to cancel an installation request prior to commencement of work or incurrence of any cost that is specifically associated with the installation request.

Billing Method: Participating customers will be billed utilizing current invoicing mechanisms at DTE. Customer payment for the installation will be offered as a one-time charge, paid in installments as projects progress, or financed as agreed upon by the Company and the Customer. The costs of each installation will vary depending on conditions of the site and the amount of work being performed.

Revenue / Margin Treatment: The incremental revenues and costs of this program will not be included in DTE Electric's base rates.

Accounting Records for Program: Separate books and records for the program will be in place as required by the MPSC to ensure no cross-subsidization occurs from utility customers.

Cost Assignment / Allocation: Program costs will be collected from participating customers and present no increase in costs to DTE Electric customers. Indirect costs or corporate overheads (such as legal, regulatory, corporate communications, supply chain burden, billing system, building, postage) associated with this program will be allocated using the Massachusetts formula.

Utility Rate Impacts: The approvals and assurances requested in this Application will not result in "an alteration or amendment in rates or rate schedules" and "will not result in an increase in the cost of service to customers" under MCL 460.6a because as proposed in this Application, there will be no increase in cost of service to those customers who do not elect to participate in the program.

Annual Reports: DTE Electric intends to file annual reports of the Business Charge Connect Program to the MPSC.

Assets Utilized: Where applicable, assets will be appropriately charged to ensure no cross subsidization.

Promotion and Marketing Efforts: Marketing of the Business Charge Connect Program will include but not be limited to the development of a webpage, brochures, and digital marketing. Messaging will include, but not be limited to, a summary of services available and potential customer benefits.

Exhibit B

Pro Forma Financial Statement

Business Charge Connect	<u>12 Months</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Customers Participating	23	31	42	56	75
Operating Revenue	5,228,678	7,047,348	9,548,021	12,730,694	17,050,037
Direct Expense	4,910,738	6,600,889	8,937,738	11,911,909	15,948,284
Corp Allocations	A 58,683	79,095	107,161	142,881	191,359
Total Operating Expense	4,969,421	6,679,984	9,044,899	12,054,790	16,139,642
Pre-Tax Profit	259,257	367,364	503,122	675,904	910,394

A - Includes corporate allocations from the Electric utility using the Mass Formula.