

Schedule J

Case No.: U-14838
Exhibit No.: DE-18
Schedule: J
Witness: M. G. VanHaerents

The Detroit Edison Company

Summary of Major Forecast Assumptions

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Line No.	Sponsoring Witness	Description	2006	2007	2008	2009	2010	2011
1								
2		<u>Load Forecast</u>						
3								
4	Colandrea	<u>Electric Sales (GWH)</u>						
5		Residential	16,118	16,127	16,220	16,219	16,404	16,599
6		Commercial	17,767	18,122	18,123	18,244	18,542	18,803
7		Industrial	12,604	12,455	12,293	11,799	11,865	12,015
8		Resale	2,636	2,683	2,688	2,693	2,698	2,703
9		Other	421	433	445	454	463	473
10								
11	Colandrea	Total Electric	49,547	49,820	49,769	49,409	49,972	50,592
12								
13	Colandrea	Electric Choice Sales (GWH)	3,486	3,400	3,775	4,000	4,000	4,000
14								
15	Byron	Net System Output (GWH)	53,027	53,625	53,573	53,196	53,805	54,473
16								
17								
18	Colandrea	Losses & Co. Use %	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
19								
20								
21	Colandrea	<u>Avg. Electric Customers</u>						
22		Residential	1,990,042	2,006,509	2,021,330	2,036,542	2,052,065	2,067,969
23		Commercial	185,315	188,194	188,814	190,370	192,429	194,489
24		Industrial	1,031	1,107	1,115	1,114	1,130	1,147
25		Resale	5	5	5	5	5	5
26		Other	2,003	2,005	2,014	2,023	2,031	2,038
27								
28		Total Electric	2,178,396	2,197,820	2,213,278	2,230,054	2,247,660	2,265,648
29								
30								
31								
32								
33								
34		<u>Power Supply Expense:</u>						
35		(\$ Millions)						
36	Byron	Fuel and Purchased Power	1,360,977	1,371,166	1,380,280	1,480,689	1,542,514	1,532,987
37	VanHaerents	Interconnection Revenue - Reclassified to Revenues	118,555	99,058	111,444	116,732	123,390	140,532
38	Brudzynski	PSCR PEP Savings		(30,000)	(50,000)	(50,000)	(50,000)	(50,000)
39								
40		Total	1,479,532	1,440,224	1,441,725	1,547,422	1,615,904	1,623,520
41								
42								
43		<u>RATE ASSUMPTIONS</u>						
44								
45	Falletich	<u>MPSC - ELECTRIC</u>						
46								
47		(a) BASE TARIFF RATES AS AUTHORIZED IN CASE NO. U-14399						
48								
49		(b) NUCLEAR DECOMMISSIONING SURCHARGE RATES AS AUTHORIZED IN CASE NO. U-10102						
50		USED THROUGHOUT THE FORECAST PERIOD.						
51								
52	VanHaerents	<u>FERC - WHOLESALE FOR RESALE</u>						
53								
54		RATES AUTHORIZED IN DOCKET NO. ER98-1158-000 and ER98-1159-000 ARE USED THROUGHOUT THE						
55		FORECAST PERIOD.						

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1								
2	Brudzynski - Summary	<u>O&M EXPENSE</u>	\$ 1,427	\$ 1,382	\$ 1,364	\$ 1,384	\$ 1,403	\$ 1,431
3	Various - Detail	(MILLIONS OF DOLLARS)						
4								
5	Brudzynski - Summary	<u>CAPITAL EXPENDITURES</u>						
6	Various - Detail	(MILLIONS OF DOLLARS)	\$ 992	\$ 1,128	\$ 1,029	\$ 888	\$ 850	\$ 801
7								
8	VanHaerents	<u>BOOK DEPRECIATION RATES:</u>						
9		ELECTRIC						
10		LUDINGTON PUMPED STORAGE						
11		ALL OTHER PLANT						
12								
13	VanHaerents	<u>NUCLEAR DECOMMISSIONING:</u>						
14		RATES AUTHORIZED IN CASE NO. U-10102 USED IN ALL YEARS AND AFFIRMED IN CASE NO. U-14399						
15								
16			<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
17		<u>TAX PERCENTAGES & REVENUE FACTOR</u>						
18	VanHaerents	FEDERAL INCOME TAX RATE	35%	35%	35%	35%	35%	35%
19	VanHaerents	MSBT RATE	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
20	Horgan	GROSS MUNICIPAL TAX RATE	0.304%	0.304%	0.304%	0.304%	0.304%	0.304%
21								
22	Horgan	REVENUE CONVERSION FACTOR	1.573	1.573	1.573	1.573	1.573	1.573
23								
24	Stadnikia	COMMON STOCK DIVIDENDS (\$in Millions)	\$ 305	\$ 305	\$ 305	\$ 305	\$ 305	\$ 305
25								
26								
27			<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
28		<u>CAPITAL STRUCTURE PERCENTAGES (Year End)</u>						
29	Stadnikia	LONG TERM DEBT	51.44%	50.18%	49.61%	49.87%	49.67%	49.78%
30	Stadnikia	COMMON EQUITY	48.56%	49.82%	50.39%	50.13%	50.33%	50.22%
31								
32								
33		<u>CAPITAL COSTS RATES</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
34	Stadnikia	SHORT TERM DEBT	5.20%	5.40%	5.50%	5.70%	5.90%	5.95%
35	Stadnikia	LONG TERM DEBT	5.87%	5.91%	5.96%	5.99%	6.13%	6.16%
36	Morin	COMMON EQUITY	11.00%	11.25%	11.25%	11.25%	11.25%	11.25%