

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's Own Motion,
ordering **THE DETROIT EDISON COMPANY**
to show cause why its retail rates for the sale and
distribution of electric energy should not be decreased.

Case No. **U-14838**
(e-file/paperless)

**THE MICHIGAN PUBLIC SERVICE COMMISSION STAFF'S
REPLY TO THE DETROIT EDISON COMPANY'S
RESPONSE TO STAFF'S MOTION TO COMPEL**

Detroit Edison Company's Response to Staff's Motion to Compel does not resolve Staff's Motion to Compel. Staff herein replies specifically to the company's response:

1. Staff did not seek oral argument.
2. Staff reiterates and incorporates by reference Staff's Motion to Compel.
3. The issue before the Commission is whether the Detroit Edison Company complied with the Commission's March 23, 2006 Order by providing a schedule that reconciles the company's actual 2005 revenues to its projected 2007 revenues clearly showing each known and measurable change to the historical test year revenues and to provide a schedule that reconciles actual 2005 sales and customer billing determinants by rate schedule to 2007 projected sales and customer billing determinants by rate schedules clearly showing each known and measurable change separately by rate schedule for all billing determinants to the 2005 levels.
4. The Detroit Edison Company and Staff do not have differing interpretations of "billing determinants." There is no confusion among the parties. The Detroit Edison Company used billing determinants in its 43 page Exhibit DE-13, Schedule E-7, however, the Detroit Edison Company did not clearly show each know and measurable change. If the Detroit Edison

Company did not understand the Commission's Order, the company should have asked the Commission to clarify its March 23, 2006 Order.

5. The issue raised by Staff's motion is not whether Exhibit DE-13, Schedule E-7 may be consistent with past practice; Staff's issue is that the Schedule merely plugs the difference between actual 2005 and projected 2007 amounts. For example, based on the way the Company constructed Schedule E-7, there is no way for any party to calculate the weather normalization adjustment by rate schedule, or the projected migration of choice sales by rate schedule.

6. Exhibit DE-3, Schedule C-1 does not show the normalizing adjustments by rate schedule. The Exhibit DE-3, Schedules C-11, C-13, C-14, C-15 and C-16 do not show adjustments by rate schedule. These schedules have nothing to do with Staff's motion. These schedules do not address Staff's concerns regarding the lack of sales forecast information as shown on Exhibit DE-13, Schedule E-7.

7. Exhibit DE-11, Schedule C-1, does not show the normalizing adjustments by rate schedule. The Exhibit DE-11, Schedule C-13 does not show adjustments by rate schedule. This Schedule C-13 was not the subject of Staff's motion.

8. Exhibit DE-13, Schedule E-7, pages 3 through 43, does not show all known and measurable changes separately by rate schedule for all billing determinants. If this schedule did, the parties would be able to discern what portion of the difference between 2005 and 2007 is attributable to, for example, weather normalization for all billing determinants by rate schedule.

9. Detroit Edison's statement "Staff's concern over Exhibit DE-13, Schedule E-7, page 2 is misplaced as pro forma revenue, see Exhibit DE-5, Schedule E-1, workpapers page 50 of 570 (Attachment A)" does not represent Staff's concern. Furthermore, Detroit Edison did not

file and provide to Staff a copy of its workpapers with its case on June 1, 2006. Thirteen days have passed since Detroit Edison filed its case and Staff still does not have Detroit Edison's workpapers. Staff's unable to earnestly begin its due diligence review of Detroit Edison's case until it receives Detroit Edison's workpapers. Considering the Commission's desire to expedite this case, Detroit Edison is putting Staff in an even greater exigent circumstance by failing to provide its workpapers.

10. It is the Commission's March 23, 2006 Order that requires the Detroit Edison Company to file details associated with "billing determinants" even if the level of detail the Commission has Ordered exceeds the existing Rate Case Filing Requirements and goes beyond past practice.

11. Staff appreciates the Detroit Edison Company's willingness "to work with Staff and provide available data that is reasonable and relevant in a meaningful format and otherwise attempt to address Staff's needs and concerns." Staff would appreciate it if the company would provide the workpapers that Detroit Edison failed to file on June 1, 2006 and otherwise comply with the Commission's March 23, 2006 Order.

Relief Requested

Staff respectfully requests the Commission compel the Detroit Edison Company to provide the schedules as set forth in Staff's Motion to Compel. Nothing in Detroit Edison's Response to Staff's motion resolves the issue nor does it demonstrate that Detroit Edison's June 1st filing complies with the Commission's March 23, 2006 Order.

If the Detroit Edison Company is incapable of providing the data as ordered, then Staff requests the Commission order Detroit Edison to file a statement of their inability to file such schedules as set forth in the Commission's March 23, 2006 Order. If Edison files such a

statement, then Staff requests the Commission order the Detroit Edison Company to file a schedule that clearly shows Edison's projected electric migration by rate schedule within five (5) calendar days of the Commission's action on Staff's motion.

Respectfully submitted,

**MICHIGAN PUBLIC SERVICE COMMISSION
STAFF**

A handwritten signature in black ink that reads "Kristin M. Smith". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

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Dated: June 13, 2006

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PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

Pamela A. Walters , being first duly sworn, deposes and says that on June 13, 2006, she served a true copy of the MPSC Staff's Reply To The Detroit Edison Company's Response To Staff's Motion To Compel upon the following parties via e-mail and by depositing the same in a United States postal depository enclosed in an envelope bearing postage fully prepaid, plainly addressed as follows:

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Pamela A. Walters

Pamela A. Walters

Subscribed and sworn to before me
this 13th day of ~~June~~ 2006

Carol Ann Dane

Carol Ann Dane, Notary Public
State of Michigan, County of Eaton
Acting in the County of Ingham
My Commission Expires: 07/23/2011