

Detroit Edison



June 30, 2006

Mr. Brian Ballinger, Supervisor
Financial Analysis Section
Michigan Public Service Commission
6545 Mercantile Way
Lansing, Michigan 48911

Re: The Detroit Edison Company's 2005 Affiliate Transactions Compliance Report

Dear Mr. Ballinger:

Enclosed for filing is an original and five copies of The Detroit Edison Company's Affiliate Transactions Compliance Report for the year 2005 as required by the order issued by the Michigan Public Service Commission dated January 21, 2003 in Case No. U-13502.

Please stamp and return one copy to Karen Freidline, 2000 2nd Avenue, 1006 WCB, Detroit, MI 48226 via the DTE Energy mail tray.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter B. Oleksiak".

Peter B. Oleksiak
Controller

Enclosures

The Detroit Edison Company
Affiliate Transactions Compliance Report
Calendar Year 2005

June 30, 2006

The Detroit Edison Company (Detroit Edison) submits this annual Affiliate Transactions Compliance Report for calendar year 2005 pursuant to the Michigan Public Service Commission's (Commission) January 21, 2003 Order Approving Settlement Agreement, Case No. U-13502.

The Company reserves the right to amend or supplement this Report as necessary and reserves the right to object to any specific disclosures as they may arise in the future.

Questions regarding the contents of this Report should be directed to Karen A. Freidline, Sr. Compliance Analyst – Retail Compliance and Adjudication, at 2000 2nd Ave., Room 1006 WCB, Detroit, MI 48226, or 313-235-6791 or freidlinek@dteenergy.com.

ITEM 1

That the utility ensure that the Commission has access to books and records of the holding company and each of its affiliates and their joint ventures. Any objections to not providing all books and records must be raised before the Commission and the burden of showing that the request is unreasonable or unrelated to the proceeding is on the respondents.

RESPONSE

Detroit Edison has provided the Commission access to its books and records in accordance with its jurisdiction and authority as provided by law.

ITEM 2

Each utility, holding company, and each of its subsidiaries and the joint ventures of the holding company and/or its subsidiaries shall employ accounting and other procedures and controls related to cost allocations and transfer pricing to ensure and facilitate full review by the Commission and to protect against cross-subsidization of non-utility activities by the utility's customers.

RESPONSE

Detroit Edison has established and will continue to maintain accounting controls to facilitate review by the Commission. The procedures employed by Detroit Edison are available for review by the Commission Staff upon request.

ITEM 3

The holding company and each of its subsidiaries and the joint ventures of the holding company and/or its subsidiaries shall keep their books in a manner consistent with general accounting principles and, where applicable, consistent with the Uniform System of Accounts.

RESPONSE

Detroit Edison, its affiliates, and subsidiaries maintain books consistent with general accounting principles and, where applicable, consistent with the Uniform System of Accounts. DTE Energy's financial statements are audited by Deloitte & Touche LLP, an international certified public accounting firm, on an annual basis.

ITEM 4a

The utility shall furnish the Commission with:

The quarterly and annual financial statements of the consolidated utility and/or its parent holding company.

RESPONSE

The Company, at previous dates and as a matter of routine, submitted the subject documents to the Commission.

ITEM 4b

The utility shall furnish the Commission with:

Annual statements concerning the nature of intercompany transactions concerning the utility and a description of the basis upon which cost allocations and transfer pricing have been established in these transactions.

RESPONSE

Detroit Edison routinely reports such transactions between its affiliates and/or subsidiaries. See Attachment 4b.1, Pages 226B & 226B.1, "Receivables from Associated Companies", Attachment 4b.2, Page 260B, "Payables to Associated Companies", Attachment 4b.3, Pages 358 through 359.3, "Summary of Costs Billed to Associated Companies", and Attachment 4b.4, Pages 360 through 361, "Summary of Costs Billed From Associated Companies."

All of these attachments were taken from the MPSC Form P-521 for the year 2005.

The description of the basis upon which cost allocations and transfer pricing have been established in these transactions are contained in the "Affiliated Company Master Service Agreement" and "Service Level Agreement – Shared Services" which were submitted with the 2004 Affiliate Transactions Compliance Report and remain in effect.

ITEM 4c

The utility shall furnish the Commission with:

Annual balance sheets and income statements of the non-regulated subsidiaries of the utility and/or the non-consolidated subsidiaries of the holding company.

RESPONSE

See Attachment 4c.1, the income statements and balance sheets of the subsidiaries of Detroit Edison. Attachment 4c.2 provides income statements and balance sheets for the non-consolidated subsidiaries of the holding company.

ITEM 4d

The utility shall furnish the Commission with:

As a separate exhibit in its next general rate case, an audit report of its transactions between the utility and its non-utility affiliates.

RESPONSE

An audit report of transactions between Detroit Edison and its non-utility affiliates was furnished to the Commission with its general rate case, MPSC Case No. U-13808.

ITEM 4e

The utility shall furnish the Commission with:

Federal income tax on a consolidated or non-consolidated basis depending on filing.

RESPONSE

The Company, at a previous date and as a matter of routine, submitted this information to the Commission.

ITEM 5

The utility shall avoid a diversion of management talent that would adversely affect the utility. An annual report identifying personnel transferred from the utility to non-utility subsidiaries is required.

RESPONSE

The Company, at a previous date and as a matter of routine, submitted this information to the Commission in the 2005 Semi-Annual Code of Conduct – Employee Transfers Reports. It is Detroit Edison's position that no transfers/diversion of management talent that would adversely affect Detroit Edison occurred during the year 2005.

ITEM 6

The utility shall notify the Commission in writing within thirty days prior to any transfer to non-utility affiliates of any utility assets or property exceeding a fair market value of \$100,000. Asset transfers from regulated to non-regulated shall be at the higher of cost or fair market value and non-regulated to regulated shall be at the lower of cost or fair market value. All services and supplies provided by non-regulated enterprises shall be at market price or 10% over fully allocated cost, whichever is less.

RESPONSE

There were no such transfers in 2005.

ITEM 7

Market, technological, or similar data transferred, directly or indirectly, from the utility to a non-utility affiliate shall be transferred at the higher of cost or fair market value.

RESPONSE

There were no such transfers in 2005.

The Detroit Edison Company
Affiliate Transactions Compliance Report
Calendar Year 2005

Attachments

Name of Respondent	This Report Is:	Date of Report	Year of Report
The Detroit Edison Company	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr)	Dec. 31, 2005

RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145,146)

- Report particulars of notes and accounts receivable from associated companies* at end of year.
- Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146 Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.
- For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.
- If any note was received in satisfaction of an open account, state the period covered by such open account.
- Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.
- Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company. This includes related parties.

"Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	<u>Account 145 (124022)</u>					
2	DTE Energy Company	84,939,860	479,431,400	564,371,260	-	359,911
3						
4	<u>Account 146</u>					
5	Midwest Energy Resources Company	24,444	489,563	475,601	38,406	
6						
7	Securitization LLC	375,055	1,124,945	1,125,000	375,000	
8						
9	DTE Energy Company	48,284,821	12,840,348	3,721,163	57,404,006	
10						
11	Syndeco Realty Corporation	27,968	231,572	207,422	52,118	
12						
13	DTE Engineering Services, Inc.	1,716	7,275	8,991	-	38
14						
15	DTE Energy Ventures	395,667	1,355,681	1,770,943	(19,595)	
16						
17	Wolverine Energy Services, Inc.	56,338	227,563	228,510	55,391	540
18						
19	DTE Energy Resources, Inc.	22,209	1,301,979	790,156	534,032	4,751
20						
21	DTE Energy Trading, Inc.	23,301,846	114,035,574	124,728,592	12,608,827	27,502
22						
23	DTE Peptec Inc	-	21,322	10,347	10,976	60
24						
25						
	TOTAL					

Name of Respondent	This Report Is:	Date of Report	Year of Report
The Detroit Edison Company	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr)	Dec. 31, 2005

RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145,146) (Continued)

1. Report particulars of notes and accounts receivable from associated companies* at end of year.
2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.
3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.
4. If any note was received in satisfaction of an open account, state the period covered by such open account.
5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.
6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company. This includes related parties.

"Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	DTE Biomass Energy, Inc.	37,583	713,050	602,713	147,919	750
2						
3	DTE Energy Services, Inc.	546,126	6,495,118	6,389,691	651,553	22,956
4						
5	DTE Coal Services, Inc.	1,015,031	5,663,662	4,607,914	2,070,779	539
6						
7	River Rouge Unit No. 1 LLC	505,639	1,186,748	1,212,402	479,986	
8						
9	DTE Energy Enterprises, Inc.	72,424	171,474	243,899	(1)	333
10						
11	Michigan Consolidated Gas Co.	2,874,801	24,356,880	19,749,406	7,482,275	18,594
12						
13	MCN Energy Enterprises	-	38,038	33,038	5,000	
14						
15	DTE Gas Storage, Inc.	9,351	155,001	136,284	28,067	41
16						
17	MCN International Corporation	-	3,301,362	3,301,362	-	
18						
19	DTE Gas & Oil, Inc.	7,833	120,456	107,941	20,348	
20						
21	DTE Gas Resources	-	225,842	102,238	124,604	
22						
23	DTE Gas Storage Pipeline & Process	-	2,833	-	2,833	
24						
25	Affiliate Clearing Account 146002	-	30,471	-	30,471	
	TOTAL	162,498,712	653,529,157	733,924,873	82,102,995	436,016

Name of Respondent	This Report Is:	Date of Report	Year of Report
The Detroit Edison Company	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr)	Dec. 31, 2005

PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

1. Report particulars of notes and accounts payable to associated companies at end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to a total for the combined accounts.
3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.
4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.
- * See definition on page 226B

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1						
2	<u>Account 233</u>	-	44,501,391	44,501,391	-	1,153
3						
4						
5	<u>Account 234</u>					
6	Edison Illuminating Co.	86,904	91,754	4,850	-	
7	DTE Energy Company	48,693,867	335,099,343	341,504,343	55,098,867	
8	Syndeco Realty Corporation	-	243,559	243,559	-	
9	Wolverine Energy Services, Inc.	41,609	3,495,279	3,738,019	284,349	
10	DTE Coal Services, Inc.	191,030	746,133	787,019	231,916	
11	DTE Energy Trading, Inc.	546,592	5,169,481	5,515,503	892,614	
12	DTE Energy Services, Inc.	-	154,519	154,519	-	
13	River Rouge Unit No. 1 LLC	-	-	480,978	480,978	
14	DTE Energy Enterprises, Inc.	335	16,896	39,980	23,419	
15	CoEnergy Trading	458,000	5,932,095	5,474,095	-	
16	Michigan Consolidated Gas Co.	54,129,421	8,872,807	4,332,530	49,589,144	14,750
17						
18						
19						
20	Amount Reclassed From 223001	6,441,149	65,427,164	67,087,416	8,101,401	
21						
22						
23						
24						
25						
26						
	TOTAL	110,588,907	469,750,421	473,864,202	114,702,688	15,913

Dec. 31, 2005

The Detroit Edison Company

An Original

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company.
2. In column (b) describe the affiliation (percentage ownership, etc.).
3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).
4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Midwest Energy Resources Co.	Subsidiary	Cash		
2			Fuel Inventory		
3			Taxes Payable		
4			Merch/Job Revenue		
5			Merch/Job Expense		
6			Other Electric Revenues	456	2,180,275
7			O&M Expense	5XX, 920	(7,079,768)
8			Admin & General Expense	921-935	(95,963)
9					
10					
11	DTE Gas & Oil, Inc.	Affiliate	Merch/Job Revenue		
12			Admin & General Expense	921	(23)
13					
14	DTE Engineering Services, Inc.	Affiliate	Merch/Job Revenue		
15			Interest Revenue		
16					
17	DTE Energy Ventures	Affiliate	Merch/Job Revenue		
18			Interest Revenue		
19			O&M Expense	5XX	(1,154)
20					
21	DTE Enterprises, Inc.	Affiliate	Merch/Job Revenue/Expense		
22			Interest Revenue		
23					
24					
25					
26	DTE Gas Storage, Inc.	Affiliate	Merch/Job Revenue		
27			Interest Revenue		
28					
29	MCN Energy Enterprises, Inc.	Affiliate	Merch/Job Revenue		
30			Interest Revenue		
31					
32					

Dec. 31, 2005

The Detroit Edison Company

An Original

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
 6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
 7. In column (j) report the total.
 8. In column (k) indicate the pricing method (cost, per contract terms, etc.)

Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
		131	2,594,400	2,594,400	Cost	1
		151	27,441,882	27,441,882	Contract	2
		236	(305,417)	(305,417)	Cost	3
415	451,158			451,158	Cost	4
416	6,255,245			6,255,245	Cost	5
				2,180,275	Cost	6
				(7,079,768)	Cost	7
				(95,963)	Cost	8
						9
						10
415	152,166			152,166	Cost	11
				(23)	Cost	12
						13
415	6,511			6,511	Cost	14
419	38			38	Cost	15
						16
415	1,375,276			1,375,276	Cost	17
419	1,000			1,000	Cost	18
				(1,154)	Cost	19
						20
415, 416	133,685			133,685	Cost	21
419	333			333	Cost	22
						23
						24
						25
415	139,849			139,849	Cost	26
419	41			41	Cost	27
						28
415	38,037			38,037	Cost	29
419						30
						31
						32

The Detroit Edison Company

An Original

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company
2. In column (b) describe the affiliation (percentage ownership, etc.)
3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.)
4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Michigan Consolidated Gas Co.	Affiliate	Intercompany Rents	455	12,100,000
2			Customer Service	908	(2,133)
3			O&M Expense	5XX, 920	1,396,297
4			Merch/Job Revenue/Expense		
5			Admin & General Expense	921-935	268,571
6					
7					
8					
9	DTE Energy Company	Holding Company	Admin & General Expense	921-935	295,958,937
10			Customer Service	901-916	100,411,337
11			O&M Expense	5XX	15,088,002
12			Intercompany Rents	455	2,120,000
13			Non-Operating Revenue		
14			Non-Operating Expense		
15			Other Tax Expense	408	10,574,630
16			A&G Salaries	920	99,450,107
17			Deferred Credits		
18			Miscellaneous Liabilities		
19			Prepayments, Other Debits		
20					
21	DTE Energy Resources, Inc.	Affiliate	Merch/Job Revenue/Expense		
22			Interest Revenue		
23			Admin & General Expense	921	(12,277)
24					
25					
26	River Rouge Unit 1 LLC	Affiliate	Merch/Job Revenue		
27					
28	Wolverine Energy Services, Inc.	Affiliate	Merch/Job Revenue/Expense		
29			Interest Revenue		
30			Customer Service	901-916	(95)
31					
32					
33					

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.).

Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
415, 416, 419	7,799,437			12,100,000	Cost	1
				(2,133)	Cost	2
				1,396,297	Cost	3
				7,799,437	Cost	4
				258,571	Cost	5
415, 419, 421 416, 426	1,472,251 10,734,384					6
						7
						8
				295,958,937	Cost	9
				100,411,337	Cost	10
				15,088,002	Cost	11
				2,120,000	Cost	12
				1,472,251	Cost	13
				10,734,384	Cost	14
				10,574,630	Cost	15
		201		99,450,107	Cost	16
		253	39,850	39,850	Cost	17
		232, 24X	5,176,759	5,176,759	Cost	18
415, 416 419	975,908 4,751	163,165,186	(396)	(396)	Cost	19
						20
				975,908	Cost	21
				4,751	Cost	22
				(12,277)	Cost	23
415	2,008,107					24
						25
				2,008,107	Cost	26
415, 416 419	123,087 540					27
				123,087	Cost	28
				540	Cost	29
				(95)	Cost	30
						31
						32
						33
						34

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company.
2. In column (b) describe the affiliation (percentage ownership, etc.).
3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).
4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	DTE Energy Trading, Inc.	Affiliate	Sale of Energy	447	191,742,585
2			Merch/Job Revenue/Expense		
3			Interest Revenue		
4					
5					
6					
7					
8					
9	DTE Coal Services, Inc.	Affiliate	Interdepartmental Rents	455	482,016
10			Other Electric Revenues	456	398,894
11			Admin & General Expense	921	47
12			O&M Expense	5XX	1,699,424
13			Non- Operating Revenue		
14			Interest Revenue		
15			Coal Inventories		
16					
17					
18					
19					
20	DTE Energy Services, Inc.	Affiliate	Interdepartmental Rents	455	30,102
21			Merch/Job Revenue/Expense		
22			Interest Revenue		
23			O&M Expense	5XX	48,702
24					
25					
26	DTE Biomass Energy, Inc.	Affiliate	Merch/Job Revenue		
27			Interest Revenue		
28					
29					
30					
31					
32					
33					

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
 6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
 7. In column (j) report the total.
 8. In column (k) indicate the pricing method (cost, per contract terms, etc.).

Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
415, 416	3,688,174			191,742,585	Contract	1
419	27,502			3,688,174	Cost	2
				27,502	Cost	3
						4
						5
						6
						7
						8
				482,016	Contract	9
				398,894	Contract	10
				47	Cost	11
				1,699,424	Cost	12
415, 417, 421	1,296,272			1,296,272	Cost	13
419	539			539	Cost	14
		151	914,655	914,655	Contract	15
						16
						17
						18
						19
				30,102	Cost	20
415, 416	4,780,710			4,780,710	Cost	21
419	22,956			22,956	Cost	22
				48,702	Cost	23
						24
						25
415	605,808			605,808	Cost	26
419	750			750	Cost	27
						28
						29
						30
						31
						32
						33

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company. 2. In column (b) describe the affiliation (percentage ownership, etc.). 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.). 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	DTE Gas Resources, Inc.	Affiliate	Merch/Job Revenue		
2					
3	DTE Peptec, Inc.	Affiliate	Merch/Job Revenue		
4			Interest Revenue		
5					
6	Securitization Funding, LLC	Subsidiary	Other Electric Revenues	456	1,124,945
7					
8	DTE Gas Str Pipeline Processing	Affiliate	Merch/Job Revenue		
9					
10	Syndeco Realty Corporation	Affiliate	Merch/Job Revenue/Expense		
11			Other Revenue	454	15,230
12			Customer Service	908	2,610
13			Admin & General Expense	921-935	1,186
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
Total					727,902,484

The Detroit Edison Company

An Original

Dec. 31, 2005

SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.).

Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
415	167,107			167,107	Cost	1
						2
415	11,941			11,941	Cost	3
419	60			60	Cost	4
						5
				1,124,945	Cost	6
						7
415	(2,833)			(2,833)	Cost	8
						9
415, 416	198,277			198,277	Cost	10
				15,230	Cost	11
				2,610	Cost	12
				1,186	Cost	13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
	42,469,067		35,861,733	806,233,284		Total

The Detroit Edison Company

An Original

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES

1. In column (a) report the name of the associated company.
2. In column (b) describe the affiliation (percentage ownership, etc.).
3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc.).
4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.

Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	DTE Energy Company	Holding Company	Corporate Support Group	921-935	237,217,503
2			Corporate Support Group	920	93,561,950
3			Retirement Plan		
4			Corporate Support Group	401, 408 409	11,488,491
5			Corporate Support Group		
6			Corporate Support Group		
7			Corporate Support Group	500-598	11,606,171
8			Corporate Support Group	901-916	81,741,837
9					
10	Michigan Consolidated Gas Co.	Affiliate	O&M Expense	501-586	1,133,721
11			A&G - Expense	921	4,118,612
12			InterCompany Rents	931	1,300,000
13			Labor & Materials		
14			Miscellaneous Debits		
15			Stores Expense		
16			Interest Expense		
17			Payment Processing Fees	451	311,536
18					
19	DTE Energy Services, Inc.	Affiliate	Corporate Support Group	500-598	101,626
20					
21	DTE Coal Services, Inc.	Affiliate	Fuel SWAPS	456	(7,000)
22			Misc. A/R & Inventory		
23					
24	DTE Energy Trading, Inc.	Affiliate	Rent Expense	931	1,031,111
25			Fuel	501	10,805,538
26			Electric Purchases	555-556	89,373,742
27			Corporate Support Group	921-935	(17,833)
28					
29	DTE Enterprises, Inc.	Affiliate	O&M Expense	580	4,090
30			Labor & Materials		
31					
32	Syndeco Realty Corporation	Affiliate	Real Estate Sales		
33					
34	Wolverine Energy Services, Inc.	Affiliate	Equipment Sales	401	4,460,727
35			Corporate Support Group		
36			Corporate Support Group	500-598	24,959
37			Corporate Support Group	901-916	10,050
38			Corporate Support Group	921	31,387
Totals					548,298,318

SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)

5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.
6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.
7. In column (j) report the total.
8. In column (k) indicate the pricing method (cost, per contract terms, etc.).

Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
				237,217,603	Cost	1
				93,561,950	Cost	2
		253	5,145,678	5,145,678	Cost	3
				11,488,491	Cost	4
415,419,421,430	6,682			6,682	Cost	5
416,426	6,079,609			6,079,609	Cost	6
				11,606,171	Cost	7
				81,741,837	Cost	8
						9
				1,133,721	Cost	10
				4,118,612	Cost	11
				1,300,000	Cost	12
		106,107	(987,774)	(987,774)	Cost	13
		184,186	(16,569)	(16,569)	Cost	14
		163	10,622	10,622	Cost	15
430	14,760			14,760	Cost	16
				311,536	Cost	17
						18
				101,626	Cost	19
				(7,000)	Contract	21
		143,151	696,845	696,845	Cost	22
						23
				1,031,111	Contract	24
				10,805,538	Contract	25
				89,373,742	Contract	26
				(17,833)	Cost	27
						28
				4,090	Cost	29
		106,107	18,995	18,995	Cost	30
						31
		142	243,559	243,559	Cost	32
						33
				4,460,727	Contract	34
416,426	94,884			94,884	Cost	35
				24,959	Cost	36
				10,050	Cost	37
				31,387	Cost	38
	6,195,935		5,111,356	559,605,609		Totals

Detroit Edison
Consolidated Statement of Income
Unaudited

	Item	DECO	Edison Illum. Co.	Midwest Energy Resource	St. Clair	Securitization	Elims. & Reclass.	DECO Consol.
Operating Revenues	1	4,228,659	-	33,252	-	201,085	(1,125)	4,461,871
Operating Expenses								
Fuel, purchased power and gas	2	1,566,498	-	23,829	-	-	-	1,590,326
Operation and maintenance	3	1,304,868	-	3,026	-	1,273	(1,125)	1,308,043
Depreciation, depletion and amortization	4	528,710	-	1,994	-	109,325	-	640,029
Taxes other than income	5	239,487	6	815	-	-	-	240,308
Gains on sale of assets	6	(26,147)	-	-	-	-	-	(26,147)
Total Operating Expenses	7	3,613,416	6	29,664	-	110,598	(1,125)	3,752,559
Operating Income	8	615,243	(6)	3,589	-	90,487	0	709,312
Other (Income) and Deductions								
Interest expense	9	172,317	-	2,655	-	92,213	-	267,185
Interest income	10	(2,793)	-	(139)	-	-	-	(2,932)
Minority interest	11	-	-	-	-	-	-	-
Other income	12	(25,850)	(5)	-	-	(1,726)	(1)	(27,582)
Other expenses	13	46,342	-	-	-	-	-	46,342
Total Other (Income) and Deduction	14	190,017	(5)	2,516	-	90,487	(1)	283,014
Income Before Income Taxes	15	425,226	(1)	1,073	-	(0)	1	426,298
Income Taxes	16	148,140	(0)	1,073	-	-	-	149,212
Net Income	17	277,086	(1)	-	-	(0)	1	277,086
Cumulative Effect of a Change in Accounting	18	3,157	-	-	-	-	-	3,157
Income after Cumulative Effect	19	273,929	(1)	-	-	(0)	1	273,929
Equity Earning included in Other - Net Expense	20	1	-	-	-	-	(1)	-

Detroit Edison Consolidated Balance Sheet

Unaudited

December 31, 2005

	Item	DECO	Edison Illum. Co.	MERC	St. Clair	Securit.	Elims & Recl.	DECO Consol.
Assets								
Current Assets								
Cash and cash equivalents	1	22,146	-	3,707	-	-	-	25,853
Restricted cash	2	2,374	-	-	-	81,922	-	84,296
Accounts receivable	3	278,272	-	-	-	27,156	-	305,428
Customer (less allowance for doubtful accounts)	4	211,150	-	-	-	11,909	-	223,059
Accrued unbilled revenues	5	144,088	-	-	-	-	-	144,088
Under recovery of supply costs	6	129,372	-	14,874	-	336	(8,515)	136,068
Other	7	856	-	-	-	-	-	856
Notes receivable	8	122,668	-	-	-	-	-	122,668
Inventories	9	-	-	-	-	-	-	-
Fuel	10	111,919	-	3,994	-	-	-	115,913
Gas	11	11,247	-	-	-	-	-	11,247
Materials and supplies	12	-	-	-	-	-	-	-
Prepaid property taxes	13	3,621	-	-	-	-	-	3,621
Assets from risk management and trading activities	14	27,265	-	207	-	-	-	27,471
Deferred income taxes	15	1,064,979	-	22,781	-	121,323	(8,515)	1,200,568
Other	16	646,110	-	-	-	-	-	646,110
Investments								
Nuclear decommissioning trust funds	17	71,642	-	1,813	-	-	(8,950)	64,504
Other	18	717,752	-	1,813	-	-	(8,950)	710,614
Property								
Property, plant and equipment	19	13,784,832	218	70,573	-	-	-	13,855,624
Property under capital leases	20	222,345	-	-	-	-	-	222,345
Less accumulated depreciation, depletion and amortization	21	6,218,064	-	38,808	-	-	-	6,256,872
Other Assets	22	7,789,113	218	31,765	-	-	-	7,821,097
Other Assets								
Goodwill	23	-	-	-	-	-	-	-
Regulatory assets	24	2,004,939	-	1,710	-	-	-	2,006,649
Securitized regulatory assets	25	-	-	-	-	1,340,004	-	1,340,004
Prepaid pension assets	26	-	-	-	-	-	-	-
Notes receivable	27	-	-	-	-	-	-	-
Assets from risk management and trading activities	28	-	-	-	-	-	-	-
Deferred income taxes	29	90,648	-	743	-	23,598	0	114,989
Other	30	2,095,588	-	2,452	-	1,363,602	0	3,461,642
Total Assets	31	11,667,432	218	58,811	-	1,484,925	(17,465)	13,193,922
Report: DECU3ABS.xls	32							
Layout: U3a2bs10_Deco_new.xnv								
Run: January 27, 2006 at 13:55								

DTE Energy(Detroit Edison) Consolidated Balance Sheet

Attachment 4c.1
Page 3 of 3

December 31, 2005

	Item	DECO	Edison Illum. Co.	MERC	St. Clair.	Securit.	Elims & Reclass.	DECO Consol.
Liabilities and Shareholders' Equity								
Current Liabilities								
	1	451,073	-	4,362	-	395	(8,515)	447,315
	2	48,126	-	1,081	-	29,404	-	78,611
	3	-	-	-	-	-	-	-
	4	76,248	-	-	-	-	-	76,248
	5	12,200	-	-	-	-	-	12,200
	6	79,713	-	-	-	-	-	79,713
	7	129,091	-	-	-	-	-	129,091
	8	162,977	-	-	-	-	-	162,977
	9	(29,892)	60	(733)	-	-	-	(30,564)
	10	-	-	-	-	-	-	-
	11	7,914	8	1,837	-	-	-	9,759
	12	-	-	-	-	-	-	-
	13	21,122	-	-	-	104,498	-	125,620
	14	9,234	-	-	-	-	-	9,234
	15	-	-	-	-	-	-	-
	16	142,156	-	934	-	43,483	-	186,572
	17	1,109,962	68	7,480	-	177,779	(8,515)	1,286,776
Other Liabilities								
	18	1,951,059	(49)	10,030	-	-	-	1,961,039
	19	226,934	-	(3,207)	-	-	-	223,727
	20	950,010	-	3,954	-	-	-	953,964
	21	114,695	-	-	-	-	-	114,695
	22	-	-	-	-	-	-	-
	23	(0)	-	-	-	-	-	(0)
	24	251,940	-	-	-	-	-	251,940
	25	-	-	-	-	-	-	-
	26	12,129	-	-	-	-	-	12,129
	27	-	-	-	-	-	-	-
	28	85,453	-	-	-	-	-	85,453
	29	261,296	-	-	-	-	-	261,296
	30	516,917	1	2,951	-	3,021	-	522,890
	31	4,370,433	(48)	13,729	-	3,021	-	4,387,134
Long-Term Debt								
	32	3,183,076	-	37,600	-	-	-	3,220,676
	33	-	-	-	-	1,295,375	-	1,295,375
	34	-	-	-	-	-	-	-
	35	-	-	-	-	-	-	-
	36	56,589	-	-	-	-	-	56,589
	37	3,239,665	-	37,600	-	1,295,375	-	4,572,639
	38	-	-	-	-	-	-	-
Preferred Securities of Subsidiaries								
Shareholder's Equity								
	39	2,445,535	46	1	1	8,750	(8,798)	2,445,535
	40	499,968	152	1	(1)	(0)	(152)	499,968
	41	1,870	-	-	-	-	-	1,870
	42	2,947,373	198	2	-	8,750	(8,950)	2,947,373
	43	11,667,432	218	58,811	-	1,484,925	(17,465)	13,193,922
Total Liabilities and Shareholder's Equity								

Accumulated other comprehensive income (loss)
Run: January 27, 2006 at 13:55

Balance Sheet

	Debit	Credit
Assets:		
L/T Note Receivable	\$ 185,567,025.00	
Interest and Dividends Rec.	\$ 2,412,371.32	
Liabilities:		
Preferred Securities		\$ 180,000,000.00
Interest Payable - Pref Sec.		\$ 2,340,000.00
Interest Payable - Common Sec.		\$ 72,371.32
Equity:		
Common Stock		\$ 5,567,024.60
Dividends Paid	\$ 1,720,025.19	
Declared Dividends	\$ 7,020,000.00	
Retained Earnings		\$ 8,305,797.63
Net income		\$ 434,227.96
	<u>\$ 196,719,421.51</u>	<u>\$ 196,719,421.51</u>

Income Statement

Interest & Dividend income		\$ 14,474,227.96
Interest & Dividend expense	\$ 14,040,000.00	
	<u>\$ 14,040,000.00</u>	<u>\$ 14,474,227.96</u>
		\$ (434,227.96) NI

DTE Energy Trust II
For the Year 2005
As of 12/31/05

Balance Sheet

	Debit	Credit
Assets:		
L/T Note Receivable	\$ 103,092,825.00	
Interest and Dividends Rec.	\$ 644,330.15	
Liabilities:		
Preferred Securities		\$ 100,000,000.00
Interest Payable - Pref Sec.		\$ 625,000.00
Interest Payable - Common Sec.		\$ 19,330.15
Equity:		
Common Stock		\$ 3,092,825.00
Dividends Paid	\$ 367,272.97	
Retained Earnings		\$ 135,311.09
Net income		\$ 231,961.88
	<u>\$ 104,104,428.12</u>	<u>\$ 104,104,428.12</u>

Income Statement

Interest & Dividend income		\$ 7,731,961.88
Interest & Dividend expense	\$ 7,500,000.00	
	<u>\$ 7,500,000.00</u>	<u>\$ 7,731,961.88</u>
		\$ (231,961.88) NI