STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of Detroit Edison Company for accounting approvals related to implementation costs of its Performance Excellence Process	)))))	Case No. U-14907

UWUA LOCAL 223's
PETITION TO INTERVENE

Pursuant to Rule 201 of the Commission's Rules, R460.17201, Petitioner Local 223, Utility Workers Union of America, AFL-CIO ("Local 223"), by its attorneys, Klimist, McKnight, Sale, McClow & Canzano, P.C., hereby petitions the Michigan Public Service Commission ("Commission") for leave to intervene in and become a party to the above-referenced proceedings. In support of the Petition, Local 223 states as follows:

1. Local 223 is a labor organization that represents over 4800 employees of DTE Energy ("DTE") who provide electric service to customers of Detroit Edison Company ("Detroit Edison") and gas service to customers of Michigan Consolidated Gas Company ("MichCon"). Local 223 has over 3000 Detroit Edison and MichCon retirees.

2. Most of Local 223's members and retirees are also customers of Detroit Edison and MichCon.

3. Local 223's 4800 members at DTE are committed to their work and care deeply about providing reliable and high quality electric and gas service to consumers. The employees care more than the corporate strategists about the customers of DTE.

4. Detroit Edison, in its application for "Accounting Authority" in this case, is seeking authorization from the Commission "to use certain accounts and accounting practices" in regards to DTE's so-called "Performance Excellence Process" (" 'PEP' ").

5. The so-called "Performance Excellence Process" is DTE's Orwellian term for what is in reality, as described by Local 223 in its Petition to Intervene in Case No. U-14838, an ill-advised scheme by DTE which threatens to severely damage customer care, service quality, reliability and safety by slashing thousands of jobs and outsourcing work to unregulated, unaccountable, cut-rate out-of-state companies, in order to increase executive compensation and profits.

6. DTE's outsourcing and job cuts have already resulted in a serious deterioration in customer service. For example, Rule 54 of the Commission's Billing Practice Rules, R460.2154, requires restoration of service except for reasons beyond the utility's control not more than one working day after the customer's request when the cause of shutoff has been cured or satisfactory credit arrangements have been made. In Case No. U-14822, Detroit Edison admitted to approximately *350 instances* between October 28, 2005 and March 14, 2006 when restoration of service was delayed, despite the one-day mandate of Rule 54. (Testimony of J. Hayes-Giles in Case No. U-14822) In one such case, the delay resulted in the needless and tragic death of a Detroit Edison customer whose power had been shut off. In that case, the customer was overcome by carbon monoxide fumes from a generator he was running to keep food from spoiling, because of Detroit Edison's failure to timely restore power - - in violation of Rule 54. According to testimony submitted by Detroit Edison, the failure to timely restore service was "[d]ue to difficulty interacting with the restoration scheduling system, a lack of experience and/or training of the individual processing the request." (Id.) This individual was employed not by DTE, but by Vital Solutions, one of Edison's "outsourcing customer assistance partners" to whom life-critical customer service work has been subcontracted pursuant to DTE's job-slashing strategy.

7. One of the principle reasons for the Commission's Order to Show Cause in U-14838 was its concern over this so-called "Performance Excellence Process."

8. Local 223 does not agree that DTE is legally entitled to unilaterally implement its "PEP" scheme to hurt customer care, service quality, reliability and safety by reducing its unionized work force and outsourcing work. Local 223 is actively opposing DTE's "PEP Process" on many fronts, including here at the Commission.

9. As Detroit Edison admits in its application in this case, while the cost of the "PEP" scheme is nearly $200 million, "the final outcomes" "are not yet fully known." In other words, while DTE has already incurred and plans to incur enormous "costs to achieve," it does not really know how much, if any, savings will result from its so-called "Performance Excellence Process."

10. To add insult to injury, Detroit Edison is now asking the Commission to facilitate its scheme by granting Edison permission to defer and amortize over a five-year period the expenses of its so-called "Performance Excellence Process" which will in effect allow Detroit Edison to charge customers in the future for cuts in quality of service to those same customers .

11. Local 223's active employee members and retirees will be directly impacted by these proceedings because the so-called "Performance Excellence Process" will negatively affect the employees' ability to deliver reliable and high quality electric service and customer care; the employees' jobs, wages, benefits and working conditions; and the retirees' benefits. In fact, the cuts in customer service which have already taken place have required Local 223's members to bear the brunt of customer anger and frustration resulting from the cuts.

12. Moreover, Local 223's members and retirees will be directly impacted by the effect of this proceeding on Detroit Edison's rates as customers of Detroit Edison.

13. Local 223 will take the position in this proceeding that the Commission should deny Detroit Edison's request for deferred accounting authority because to grant the request would be tantamount to authorizing rate recovery for the deferred costs of DTE's so-called "PEP Process."

14. Local 223 will take the position in this proceeding that under the Uniform System of Accounts, Detroit Edison cannot defer the expenditures of the so-called "PEP Process" in account 186, nor amortize to account 425 the deferred charges, without recovery having been authorized for those costs.

15. Local 223 will take the position in this proceeding that under Statement of Financial Accounting Standards (SFAS) 71, there must be an assurance of future recovery by the regulator of any deferred amounts booked as Detroit Edison proposes to do. In other words, without an assurance of recovery by the Commission, it would violate SFAS 71 to authorize Detroit Edison to defer and amortize the expenses of the so-called Performance Excellence Process."

16. Local 223 will take the position in this proceeding that to authorize Detroit Edison to defer and amortize the expenses of the so-called "PEP Process" would constitute prohibited retroactive rate making.

17. Local 223 will take the position in this proceeding that the costs of DTE's so-called "PEP Process" have not been and will not be reasonably and prudently incurred, nor does Detroit Edison even allege that those costs are reasonable and prudent, and that accordingly the Commission should not authorize recovery of those costs now or in the future. Accordingly, Local 223 will take the position that the Commission should not authorize deferral of these costs prior to deciding recoverability, especially where as here, recoverability should be denied.

18. Local 223 respectfully submits that because it will be substantially affected by the outcome of these proceedings, it should be allowed to intervene and be afforded the opportunity to

cross-examine witnesses, present witnesses and testimony, and to generally advocate its position with respect to all issues presented as full parties to the proceeding.

WHEREFORE, Local 223 respectfully requests that this Petition to Intervene be granted and that Local 223 be placed upon the Commission's record in this case as a full party.

Respectfully submitted,

KLIMIST, McKNIGHT, SALE
McCLOW & CANZANO, P.C.

By: John R. Canzano

Digitally signed by John R. Canzano
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Reason: I am the author of this document
Date: 2006.07.20 17:13:47 -04'00'

JOHN R. CANZANO (P30417)
Attorneys for Local 223
400 Galleria Officentre, Suite 117
Southfield, MI 48034
248-354-9650
jcanzano@kmsmc.com

Dated: July 20, 2006

I hereby certify that on July 20, 2006, I electronically filed the foregoing paper with the Michigan Public Service Commission using the electronic case filings system.

Respectfully submitted,

KLIMIST, McKNIGHT, SALE
McCLOW & CANZANO, P.C.

By: John R. Canzano
Digitally signed by John R. Canzano
DN: CN = John R. Canzano, C = US, O = Klimist, McKnight, Sale, McClow & Canzano, P.C.
Reason: I am the author of this document
Date: 2006.07.20 17:14:26 -04'00'

JOHN R. CANZANO (P30417)
Attorneys for Local 223
400 Galleria Officentre, Suite 117
Southfield, MI 48034
248-354-9650
jcanzano@kmsmc.com

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PROOF OF SERVICE

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

JOHN R. CANZANO, being first duly sworn, deposes and says that on the 20th day of July, 2006, he did serve a copy of UWUA Local 223's Petition to Intervene in the above captioned matter upon:

MPSC STAFF
Kristin M. Smith
Michigan Public Service Commission
6545 Mercantile Way, Suite 15
Lansing, MI 48911
Email: smithkm@michigan.gov

Counsel for The Detroit Edison Company
Richard P. Middleton
The Detroit Edison Company
2000 Second Avenue, 688 WCB
Detroit, MI 48226
Email: middleton@dteenergy.com
mpscfilings@dteenergy.com

John R. Canzano

Digitally signed by John R. Canzano
DN: CN = John R. Canzano, C = US, O = Klimist, McKnight, Sale, McClow & Canzano, P.C.
Date: 2006.07.20 17:14:49 -04'00'

JOHN R. CANZANO