

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
MOTION TO THE COMMISSION TO COMPEL
THE DETROIT EDISON COMPANY TO PRODUCE ITS GENERAL LEDGER**

Pursuant to the Rules of Practice and Procedure before the Commission, R 460.17335, Staff files this Motion to the Commission for its consideration at its next Commission meeting on June 29, 2006 to Compel the Detroit Edison Company to Produce its General Ledger and 13-month trial balance.

On March 23, 2006, the Commission commenced a proceeding and ordered the Detroit Edison Company to show cause why its retail electric rates should not be reduced. Among other things, the Commission ordered Detroit Edison to file specific schedules that reconcile the company's historical data to projected data adjusted for known and measurable changes¹:

The Detroit Edison Company is ordered to file testimony and exhibits regarding the reasonableness of its rates and to show cause by June 1, 2006 why its rates should not be reduced and to serve that information on all intervenors in this proceeding. The Detroit Edison Company shall base its June 1, 2006 filing on historical data from calendar year 2005, adjusted for known and measurable changes, to reflect the sales, costs, and financial conditions that are expected to occur by 2007. As part of its filing The Detroit Edison Company is directed to provide a schedule that reconciles the company's historical 2005 revenues and expenses to its projected revenue and expenses clearly showing each known and measurable change to the historical test year revenue and expenses in a fashion

¹ 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, Order to Show Cause and Notice of Hearing, dated March 23, 2006, page 8, paragraph F.

similar to Attachment B to this order. Further, The Detroit Edison Company is directed to file historical sales and customers billing determinants by rate schedule and to reconcile all known and measurable changes separately by rate schedule for all billing determinants to the historical levels. In addition, pro-forma revenues should be reconciled to the historical revenues.

Staff has requested both the General Ledger and 13-month trial balances on a number of occasions. Specifically, the following has occurred:

1. General Ledger

On April 12, 2006, the MPSC Staff requested the Company to provide their General Ledger (i.e. record containing all accounts used by a company). As stated in the April 12 email, Staff requested "summaries by month like MichCon provided to our auditors that work on the GCR's. (titled: Detailed General Ledger Summary) ..."

On May 15, 2006, The Company provided 3 separate and distinct electronic files for each business unit containing monthly transactional information by subaccount. The information provided is not a General Ledger and does not allow for analysis of monthly account balances on a company-wide basis.

On June 19, 2006, the MPSC Staff and the Company participated in a conference call to address the MPSC's questions with respect to the information provided - a sample of the "PeopleSoft GL: GENERAL LEDGER - SUMMARY" for Michigan Consolidated Gas Company was faxed to the Company as an example of the information needed to verify historical account information and to perform specific audit functions.

2. 13-Month Trial Balance

On April 12, 2006, the MPSC Staff requested the Company to provide the 13-Month average balance sheet spread sheets.

On June 14, the Company provided workpapers to support their filing including the "DECo Unconsolidated Trial Balance" by major account.

On June 15, the MPSC Staff contacted the Company and stated that this information was not sufficient to perform specific audit functions. At this time, the Staff provided a file of the information provided by MichCon in Case No. U-13898 as an example of the information detail needed to perform its audit functions.

On June 19, the MPSC Staff and the Company participated in a conference call to address the information required with respect to the 13-month Average Balance Sheet. Staff indicated that this information was needed for all subaccounts (versus major account). Information provided by the Company in U-13808 was faxed to the Company as an example of the information detail needed to perform specific audit functions.

It is essential that Staff obtain the Company's General Ledger and 13-month trial balance in order to carry out its responsibilities to audit the Company's books and make its recommendations in this Show Cause proceeding initiated by the Commission. The General Ledger permits the Staff's auditors to reconcile representations made by Edison in its filing with company accounting records.

MCL 460.56 provides:

Said commission shall have authority to examine, or cause to be examined, the books, accounts and records kept on behalf of any public utility subject to the jurisdiction thereof. For the purpose of making such examination any member of the commission or any examiner or employee thereof shall be given free and full access to said books, accounts and records. Any person, or persons, in any way preventing or obstructing such examination or interfering with the person or persons authorized to make the same shall be deemed guilty of a misdemeanor. It shall also be competent for the commission to require by order or subpoena, which may be served in the same manner as is a subpoena issued out of the circuit court, the production of any books, papers or records relating to the operating or management of any such utility. The owner or manager or the officers of any

corporation, company, or association, owning or operating any such utility, may likewise be summoned to appear before the commission to answer such questions as may be put to him touching the operation and business of such utility. Neglect or refusal to obey any such order or subpoena or refusal to so testify shall render the person or persons in default guilty of a misdemeanor. Said commission may also apply to any circuit court of the state for compulsory process to enforce any such order or subpoena, and said court shall have jurisdiction to compel obedience in the same manner as compliance with an order of the court might be enforced under the laws of the state pertaining thereto.

Therefore, the Commission, by its agents, the MPSC Staff has a statutory right to examine the books, accounts and records kept on behalf of the Detroit Edison Company, and the Staff urges the Commission to order Edison to produce its General Ledge and its 13-month trial balance in order for Staff to properly conduct its audit in this expedited case.

Relief Requested

Staff requests that the Commission issue an Order ordering the Detroit Edison Company to provide the MPSC Staff the Company's General Ledger and its 13-month trial balance on or before Thursday, July 7, 2006. In the event that the Company fails to provide these items, Staff requests that the Commission order other appropriate relief as provided for by MCL 460.56.

Respectfully submitted,

**MICHIGAN PUBLIC SERVICE COMMISSION
STAFF**



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Dated: June 20, 2006

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PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF INGHAM)

Linda Andreas , being first duly sworn, deposes and says that on **June 20, 2006**, she served a true copy of **The Michigan Public Service Commission Staff's Motion to the Commission to Compel The Detroit Edison Company to Produce Its General Ledger** 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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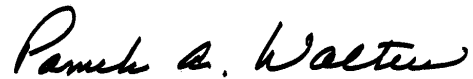
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Linda Andreas

Subscribed and sworn to before me
this 20th day of June, 2006.



Pamela A. Walters, Notary Public
State of Michigan, County of Ionia
Acting in the County of Ingham
My Commission Expires: 02/04/2007