

Schedule C

Case No.: U-14838
Exhibit No.: DE-11
Schedule: C
Witness: M. G. VanHaerents
P. G. Horgan
M. L. Heiser
E. L. Falletich

The Detroit Edison Company

Adjusted Net Operating Income

Year 2007

C1	Adjusted Net Operating Income - Total Electric and Jurisdictional Electric - Year 2007
C4	Income Tax Effect of Interest Allowed in Ratemaking Formula - Total Electric - Years 2005 and 2007
C5	Gross Revenue Conversion Factor - Year 2007
C10	Synchronization Adjustment - Total Electric - Years 2005 and 2007
C13	Revenue - Known and Measurable Changes
C14	Fuel and Purchased Power - Known and Measurable Changes
C15	Depreciation and Amortization - Known and Measurable Changes
C16	Property and Other Taxes - Known and Measurable Changes
C17	Federal Income Tax - Known and Measurable Changes
C18	AFUDC - Known and Measurable Changes
C19	Amort. of the Loss on Reacquired Debt - Known and Measurable Changes

Schedule C1

Michigan Public Service Commission
The Detroit Edison Company
Adjusted Net Operating Income - Total Electric and Jurisdictional Electric
Year Ending December 31, 2007
(\$000)

Case No.: U-14838
Exhibit No.: DE-11
Schedule: C1
Witness: M. G. VanHaerents
P. H. Horgan
M. L. Heiser

Line	(a) Description	(b) Source Exhibit	(c) Revenues	(d) Fuel & Purch Pwr	(e) O&M	(f) Depreciation and Amortization	(g) Net Reg. Assets	(h) Property & Other Taxes	(i) FIT	(j) Gain on Sale	(k) AFUDC	(l) Total Electric Adjusted NOI	(m) Jurisdictional * Electric Adjusted NOI
1	<u>2005 Historical Year</u>												
2	Adjusted Normalized 2005 Net Operating Income		4,226,091	1,500,896	1,365,788	466,232	(0)	259,290	148,455	-	6,108	491,538	\$ 497,140
3													
4													
5	<u>2005 to 2007 Known and Measurable Adjustments</u>												
6	Revenues	C13	108,081					2,375	36,997			68,709	54,314
7	Fuel and Purchased Power	C14		(60,670)				1,333	20,768			38,569	36,294
8	O&M				16,540			(364)	(5,662)			(10,515)	(10,524)
9	Depreciation and Amortization	C15				64,637		(1,421)	(22,126)			(41,091)	(40,269)
10	Net Regulatory Assets						0	(0)	(0)			(0)	-
11	Property, MSBT and Municipal Taxes	C16						5,589	(1,913)			(3,676)	(3,603)
12	FIT	C17							(4,525)			4,525	4,524
13	Allowance for Funds Used During Construction (AFUDC)	C18							7,385		29,844	22,459	21,945
14	Amortization of the Loss on Reacquired Debt	C19				-						-	-
15	Income Tax Effect of Interest	C4							(1,911)			1,911	1,911
16	Synchronization Adjustment	C10							211			(211)	(210)
17	Total Know and Measurable Adjustments		108,081	(60,670)	16,540	64,637	0	7,514	29,224	-	29,844	80,680	64,382
18													
19													
20	Adjusted 2007 Net Operating Income		<u>4,334,172</u>	<u>1,440,226</u>	<u>1,382,328</u>	<u>530,869</u>	<u>-</u>	<u>266,804</u>	<u>177,679</u>	<u>-</u>	<u>35,952</u>	<u>572,218</u>	<u>568,990</u>

* Section B uses 2007 allocation schedules for jurisdictional separation.

Schedule C4

Michigan Public Service Commission
The Detroit Edison Company
Income Tax Effect of Interest
Allowed in Ratemaking Formula Total Electric (\$000)
Years 2005 and 2007

Case No.: U-14838
Exhibit No.: DE-11
Schedule No.: C4
Page: 1 of 1
Witness: P. G. Horgan

	(a)	(b)	(c)	(d)
Line No.	Description	2005	2007	2007 Source
1				
2	Total Electric Rate Base	7,455,750	8,072,680	DE-10, Sch. B1
3				
4	Weighted Cost of Debt (1)	2.55%	2.57%	Exh. DE-12, Sch. D1
5				
6	Interest Allowed in Ratemaking Formula	190,122	207,468	Line 2 x Line 4
7				
8	Interest Deduction Included in			
9	Recorded Income Tax Accruals	194,532	206,447	DE-11WPC4
10				
11	Interest Deduction Change	(4,411)	1,021	Line 6 - Line 9
12				
13	Composite Municipal Excise Tax Rate	0.3036%	0.2561%	
14				
15	Effect on Municipal Tax	(13)	3	Line 11 x Line 13
16				
17	Effect on Federal Taxable Income	(4,398)	1,018	Line 11 - Line 15
18				
19	Federal Income Tax Rate	35.00%	35.00%	Exh. DE-11, Sch. C5
20				
21	Effect on Federal Taxable Income	<u>(1,539)</u>	<u>356</u>	Line 17 x Line 19
22				
23	Total Tax Effect on Net Operating Income	<u><u>(1,552)</u></u>	<u><u>359</u></u>	Line 15 + Line 21
24				
25	Incremental Change From 2005		1,911	

(1) Includes Short and Long-Term Interest

Schedule C5

Michigan Public Service Commission
The Detroit Edison Company
Gross Revenue Conversion Factor - Year 2007

Case No.: U-14838
Exhibit No.: DE-11
Schedule: C5
Page: 1 of 1
Witness: P. G. Horgan

Line No.	(a) Description	(b) 2007
1	Income Before Income Taxes	100.00%
2		
3	Less: Composite Municipal Excise Tax Rate (1)	0.2561%
4	Michigan Single Business Tax Rate	1.90%
5		
6	Federal Income Tax Base (L1 - L3 - L4)	97.84%
7		
8	Times: Federal Income Tax Rate	35.00%
9	Federal Income Tax (L6 x L8)	34.25%
10		
11	Income after Federal Income Tax,	
12	Michigan Single Business Tax and	
13	Municipal Excise Taxes (L6 - L9)	63.60%
14		
15	Gross Revenue Conversion Factor (100% ÷ L13)	<u>1.5724</u>

(1) See DE-11WPC5

Schedule C10

Michigan Public Service Commission
The Detroit Edison Company
Synchronization Adjustment - Total Electric (\$000)
Years 2005 and 2007

Case No.: U-14838
Exhibit No.: DE-11
Schedule: C10
Page: 1 of 1
Witness: P. G. Horgan

	(a)	(b)	(c)	(d)
Line No.	Description	2005	2007	2007 Source
1				
2	Total Electric Rate Base	7,455,750	8,072,680	DE-10, Sch. B1
3				
4	Weight of JDITC Reserve	1.61%	1.23%	Exh. DE-12, Sch. D1
5				
6	Cost of Long-Term Debt	5.79%	5.90%	Exh. DE-12, Sch. D1
7				
8	Imputed Weight of Debt	51.50%	50.58%	Exh. DE-12, Sch. D1
9				
10	Imputed Interest	3,573	2,973	L2 x L4 x L6 x L8
11				
12	Composite Municipal Excise Tax Rate	0.3036%	0.2561%	
13				
14	Effect on Municipal Taxes	11	8	Line 10 x Line 12
15				
16	Imputed Effect on Federal Taxable Income	3,562	2,965	Line 10 - Line 14
17				
18	Federal Income Tax Rate	35.00%	35.00%	
19				
20	Imputed Effect on Federal Income Taxes	<u>1,247</u>	<u>1,039</u>	Line 16 x Line 18
21				
22	Synchronization Adjustment	<u>1,258</u>	<u>1,047</u>	Line 14 + Line 20
23				
24	Cumulative Change From 2005		<u>(211)</u>	

Schedule C13

Michigan Public Service Commission
The Detroit Edison Company
Revenue - Known and Measurable Changes
(\$000)

Case No.: U-14838
Exhibit No.: DE-11
Schedule No.: C13
Page: 1 of 1
Witness: M. G. VanHaerents
E. L. Falletich

	(a)	(b)	(c)	(d)
Line No.	Description	Source	2007 Amounts	Revenue
1				
2	Normalized 2005 Revenue			4,226,091
3				
4	2007 Revenue - Unadjusted	DE-13, E4 P 2 of 4	4,345,755	
5				
6	Securitization		(258,184)	
7				
8	RARS		(62,629)	
9				
10	Customer Choice Implementation Costs		(25,058)	
11				
12	2007 Revenue Excluding Other Rev.		3,999,884	
13				
14	Sale for Resale		106,328	
15				
16	Industrial Steam		3,183	
17				
18	Interconnection Revenue		99,060	
19				
20	Miscellaneous		125,717	
21				
22	2007 Revenue			<u>4,334,172</u>
23				
24	Revenue Known and Measurable Changes			<u>108,081</u>

Schedule C14

Michigan Public Service Commission
The Detroit Edison Company
Fuel and Purchased Power - Known and Measurable Changes
(\$000)

Case No.: U-14838
Exhibit No.: DE-11
Schedule No.: C14
Page: 1 of 1
Witnesses: M. G. VanHaerents

	(a)	(b)	(c)	(d)
Line No.	Description	Source	2007 Amounts	Total
1				
2	Normalized 2005 Fuel and Purchased Power			1,500,896
3				
4	2007 Fuel and Purchased Power - Unadjusted	DE-16, F11-1	1,371,166	
5				
6	PSCR PEP Savings	DE-16, F5-13	(30,000)	
7				
8	Interconnection Revenue - Reclassified to Revenues		99,060	
9				
10	2007 Fuel and Purchased Power			<u>1,440,226</u>
11				
12	F&PP Known and Measurable Changes			<u><u>(60,670)</u></u>

Schedule C15

Michigan Public Service Commission
The Detroit Edison Company
Depreciation and Amortization - Known and Measurable Changes
(\$000)

Case No.: U-14838
Exhibit No.: DE-11
Schedule No.: C15
Page: 1 of 1
Witness: M. G. VanHaerents

	(a)	(b)	(c)
Line No.	Description	Known and Measurable Change	Total
1			
2	Normalized 2005 Depreciation and Amortization		466,232
3			
4	Known and Measurable Changes		
5	Environmental	5,021	
6			
7	Enterprise Business System (EBS)	10,164	
8			
9	EBS Reg Asset Amort	5,280	
10			
11	Automatic Meter Reading (AMR)	1,059	
12			
13	CTA Amort	33,000	
14			
15	All other Depreciation	10,113	
16			
17	Subtotal		<u>64,637</u>
18			
19	2007 Depreciation and Amortization		<u><u>530,869</u></u>

Schedule C16

Michigan Public Service Commission
The Detroit Edison Company
Property and Other Taxes - Known and Measurable Changes
(\$000)

Case No.: U-14838
Exhibit No.: DE-11
Schedule No.: C16
Page: 1 of 1
Witness: M. G. VanHaerents

	(a)	(b)	(c)
Line No.	Description	Known and Measurable Change	Total
1			
2	Normalized 2005 Property and Other Taxes		259,291
3			
4	Known and Measurable Changes		
5	Property Tax	2,497	
6			
7	MSBT	10,761	
8			
9	Payroll Taxes	(2,880)	
10			
11	Use Tax	53	
12			
13	MPSC	237	
14			
15	Miscellaneous	(3,155)	
16			
17	Subtotal		<u>7,513</u>
18			
19	2007 Property and Other Taxes		<u><u>266,804</u></u>

Schedule C17

Michigan Public Service Commission
The Detroit Edison Company
Federal Income Tax - Known and Measurable Changes
(\$000)

Case No.: U-14838
Exhibit No.: DE-11
Schedule No.: C17
Page: 1 of 1
Witness: M. G. VanHaerents

	(a)	(b)	(c)
Line No.	Description	Known and Measurable Change	Total Tax
1			
2	Normalized 2005 Federal Income Tax		148,455
3			
4	Known and Measurable Changes		
5	Operating Income	33,749	
6			
7	Investment Tax Credit	(125)	
8			
9	Permanent Differences	1,155	
10			
11	Other	(5,555)	
12			
13	Subtotal		<u>29,224</u>
14			
13	2007 Federal Income Tax		<u><u>177,679</u></u>

Schedule C18

Michigan Public Service Commission
The Detroit Edison Company
AFUDC - Known and Measurable Changes
(\$000)

Case No.: U-14838
Exhibit No.: DE-11
Schedule No.: C18
Page: 1 of 1
Witness: M. G. VanHaerents

	(a)	(b)	(c)
Line No.	Description	Known and Measurable Change	Total
1			
2	Normalized 2005 AFUDC		6,108
3			
3	Known and Measurable Changes		
3	Enterprise Business System (EBS)	870	
6			
7	Environmental	28,974	
8			
9	Subtotal		<u>29,844</u>
10			
11	2007 AFUDC		<u><u>35,952</u></u>

Schedule C19

Michigan Public Service Commission

The Detroit Edison Company

Amort. of the Loss on Reacquired Debt - Known and Measurable Changes
(\$000)

Case No.: U-14838

Exhibit No.: DE-11

Schedule No.: C19

Page: 1 of 1

Witness: M. G. VanHaerents

	(a)	(b)	(c)
Line No.	Description	Known and Measurable Change	Total
1			
2	No Change to Amort. of the Loss on Reacquired Debt		2,882