

Schedule D

Case No.: U-14838
Exhibit No.: DE-4
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Witness: P. G. Horgan
P. A. Stadnikia

The Detroit Edison Company

Rate of Return

Year 2005

D1	Rate of Return Summary
D2	Cost of Long-Term Debt
D3	Cost of Preferred Stock
D4	Cost of Common Shareholders' Equity
D5	Cost of Short-Term Debt

Schedule D1

Michigan Public Service Commission
The Detroit Edison Company
Rate of Return Summary
Year 2005

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	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line No.	Description	Amount (\$000)	Percent (1)	Percent	Cost %	Weighted Cost % (1)	Weighted Cost %
1	Long-Term Debt	3,204,461	(2) 51.50%	42.98%	5.79%	(3) 2.98%	2.49%
2							
3	Preferred Stock	0	0.00%	0.00%	0.00%	(4) 0.00%	0.00%
4							
5	Common Shareholders' Equity	<u>3,018,267</u>	(2) <u>48.50%</u>	40.48%	11.00%	(5) <u>5.34%</u>	4.45%
6							
7	Total	6,222,728	<u>100.00%</u>			<u>8.32%</u>	
8							
9	Short-Term Debt	97,804	(2)	1.31%	4.70%	(6)	0.06%
10							
11	Job Development - ITC - Debt	61,690		0.83%	5.79%		0.05%
12	Job Development - ITC Equity	<u>58,096</u>		0.78%	11.00%		0.09%
13	Total Job Development - ITC	119,786	(2)				
14							
15	Deferred Income Taxes (Net)	<u>1,015,432</u>	(2)	<u>13.62%</u>	0.00%		<u>0.00%</u>
16							
17	Total	<u>7,455,750</u>		<u>100.00%</u>			<u>7.14%</u>

- (1) Excludes Short-Term Debt, Deferred Job Development Investment Tax Credit, Deferred Investment Tax Credit and Deferred Income Taxes to calculate the rate of return for Job Development Investment Tax Credit purposes in accordance with Internal Revenue Service Income Tax Regulation section 1.46-6
- (2) See Exh. DE-2, Sch. B3-2, Cols. (h) thru (l), Line 83
- (3) See Exh. DE-4, Sch. D2
- (4) See Exh. DE-4, Sch. D3
- (5) See Exh. DE-4, Sch. D4
- (6) See Exh. DE-4, Sch. D5

Schedule D2

Michigan Public Service Commission
The Detroit Edison Company
Cost of Long-Term Debt
As of 12/31/05

Case No.: U-14838
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Line	ISSUE NAME	ORIGINAL ISSUE DATE	STATED MATURITY	INTEREST RATE %	AMOUNT OF OFFERING (\$000)	PRICE TO PUBLIC %	EXPENSES OF FINANCING %	NET PROCEEDS TO THE COMPANY %	COST BASED ON NET PROCEEDS %	AMOUNT OUT- STANDING (\$000)	ANNUAL COST (\$000)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	1990 Series C - 8.357%	02/21/90	03/31/16	8.357%	85,475	100.00%	0.1%	99.928%	8.362%	30,771	2,573
2	1990 Series B - 7.904%	02/22/90	03/31/14	7.904%	256,932	100.00%	0.0%	99.992%	7.904%	104,676	8,273
3	Series 1990 BB (AP) - 7.0%	05/01/91	07/15/08	7.000%	32,375	100.00%	3.1%	96.945%	7.313%	32,375	2,368
4	Series 1991 AA (BP) - 6.95%	05/01/91	05/01/11	6.950%	25,910	100.00%	3.0%	97.020%	7.234%	25,910	1,874
5	Series 1991 BB (CP) - 7.0%	05/01/91	05/01/21	7.000%	32,800	100.00%	3.2%	96.819%	7.262%	32,800	2,382
6	Series E 1991 (DP) - 6.9%	05/01/91	08/01/21	6.900%	37,600	100.00%	2.8%	97.237%	7.123%	37,600	2,678
7	Series 1992 AA (AP) - 6.95%	03/01/92	09/01/22	6.950%	66,000	100.00%	2.5%	97.488%	7.154%	66,000	4,721
8	Series 1992 CC - 4.65%	04/29/92	10/01/24	4.650%	31,000	100.00%	1.1%	98.911%	4.716%	31,000	1,462
9	Series 1993 AA (AP) - 6.4%	08/01/93	08/01/24	6.400%	65,000	100.00%	3.2%	96.829%	6.643%	65,000	4,318
10	Series 1995 CC - 4.85%	09/01/95	09/01/30	4.850%	82,350	100.00%	1.1%	98.924%	4.915%	82,350	4,047
11	Series 1999 BB (BP) - 5.65%	08/19/99	09/01/29	5.650%	39,745	100.00%	0.9%	99.136%	5.710%	39,745	2,270
12	Series 1999 AA (AP) - 5.55%	09/03/99	09/01/29	5.550%	118,360	100.00%	2.3%	97.747%	5.708%	118,360	6,756
13	Series 1999 CC (CP) - 5.65%	09/03/99	09/01/29	5.650%	66,565	100.00%	0.8%	99.246%	5.703%	66,565	3,796
14	Series 2000 B (BP) - Auction Rate	08/25/00	09/01/30	3.250%	50,745	100.00%	1.6%	98.356%	3.337%	50,745	1,693
15	Series 2001 C - 5.45%	09/11/01	09/01/29	5.450%	139,855	100.00%	0.7%	99.279%	5.501%	139,855	7,693
16	2001 Series B - 6.125%	10/10/01	10/01/10	6.125%	500,000	99.98%	0.7%	99.278%	6.231%	500,000	31,155
17	2001 Series P - 7.61%	12/27/01	06/30/11	7.613%	89,800	100.00%	0.3%	99.749%	7.650%	66,944	5,121
18	2002 Series A - 5.2%	10/23/02	10/15/12	5.200%	225,000	99.82%	0.7%	99.112%	5.316%	225,000	11,960
19	2002 Series B - 6.35%	10/23/02	10/15/32	6.350%	225,000	99.33%	0.9%	98.389%	6.472%	225,000	14,563
20	Series 2002 C - 5.45%	12/05/02	12/15/32	5.450%	64,300	100.00%	2.7%	97.286%	5.638%	64,300	3,625
21	Series 2002 D - 5.25%	12/05/02	12/15/32	5.250%	55,975	100.00%	2.6%	97.429%	5.424%	55,975	3,036
22	Series 2003A - 5.50%	08/28/03	06/01/30	5.500%	49,000	100.00%	2.6%	97.387%	5.691%	49,000	2,788
23	Series 2004A - 4.65%	01/01/04	06/01/29	4.650%	36,000	98.92%	2.6%	96.331%	4.904%	36,000	1,765
24	Series 2004B - 4.875%	04/01/04	10/01/28	4.875%	31,980	98.92%	2.5%	96.408%	5.134%	31,980	1,642
25	2004 Series D - 5.4%	07/15/04	08/01/14	5.400%	200,000	99.95%	0.8%	99.161%	5.509%	200,000	11,019
26	2005 Series AR - 4.8%	02/02/05	02/15/15	4.800%	200,000	99.66%	0.8%	98.868%	4.944%	200,000	9,888
27	2005 Series BR - 5.45%	02/02/05	02/15/35	5.450%	200,000	99.59%	1.0%	98.571%	5.548%	200,000	11,096
28	Series 2005DT - Auction Rate	08/15/05	08/01/29	3.000%	119,175	100.00%	2.1%	97.932%	3.123%	119,175	3,722
29	2005 Series C - 5.19%	09/29/05	10/01/23	5.190%	100,000	100.00%	0.5%	99.520%	5.231%	100,000	5,231
30	2005 Series E - 5.7%	10/06/05	10/01/37	5.700%	250,000	99.40%	1.0%	98.381%	5.812%	250,000	14,530
									5.79%	3,247,126	188,048

Schedule D3

Michigan Public Service Commission
The Detroit Edison Company
Cost of Preferred and Preference Stock
As of 12/31/05

Case No.: U-14838
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Witness: P.A. Stadnikia

The Company had no Preferred or Preference Stock outstanding during 2005

Schedule D4

Michigan Public Service Commission
The Detroit Edison Company
Cost of Common Shareholders' Equity
As of 12/31/05

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U-13808 approved an 11.00% Cost of Common Shareholders' Equity

Schedule D5

Michigan Public Service Commission
The Detroit Edison Company
Cost of Short-Term Debt
As of 12/31/05

Case No.: U-14838
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Witness: P.A. Stadnikia

<u>Line</u>	<u>Description</u> (Col. 1)	<u>Amount</u> (Col. 2) (\$000)	<u>Source</u> (Col. 3)
Short Term Debt:			
1	Interest on short-term debt	4,526	MPSC P-521 pg. 340A, line 7
2	Commitment Fees - Line of Credit	839	MPSC P-521 pg. 340A, line 9-11
3	Interest on Trade Accounts Receivable	2,175	MPSC P-521 pg. 340A, line 16
4	Total Interest	<u>7,540</u>	
5	13 mo. Avg. commercial paper	<u>160,298</u>	Exhibit DE-2, Schedule B3 line 67
6	Short Term Debt Cost Rate	<u>4.70%</u>	Line 4 / Line 5